RECORD AND BRIEF

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In the Supreme Court of the United States

MICHELLE K. LEE, UNDER SECRETARY OF COMMERCE FOR INTELLECTUAL PROPERTY AND DIRECTOR, UNITED STATES PATENT AND TRADEMARK OFFICE, PETITIONER

v.

SIMON SHIAO TAM

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

BRIEF FOR THE PETITIONER

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QUESTION PRESENTED

Section 2(a) of the Lanham Act, 15 U.S.C. 1052(a), provides that no trademark shall be refused registration on account of its nature unless, *inter alia*, it "[c]onsists of * * * matter which may disparage * * * persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute." The question presented is as follows:

Whether the disparagement provision in 15 U.S.C. 1052(a) is facially invalid under the Free Speech Clause of the First Amendment.

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OPINIONS BELOW

The opinion of the en banc court of appeals (Pet. App. 1a-122a) is reported at 808 F.3d 1321. The opinion of a panel of the court of appeals (Pet. App. 123a-161a) is reported at 785 F.3d 567. The opinion of the Trademark Trial and Appeal Board (Pet. App. 162a-182a) is reported at 108 U.S.P.Q.2d 1305.

JURISDICTION

The judgment of the court of appeals was entered on December 22, 2015. On March 10, 2016, the Chief Justice extended the time within which to file a petition for a writ of certiorari to and including April 20, 2016, and the petition was filed on that date. The petition for a writ of certiorari was granted on September 29, 2016. The jurisdiction of this Court rests on 28 U.S.C. 1254(1).

CONSTITUTIONAL AND STATUTORY PROVISIONS INVOLVED

Relevant constitutional and statutory provisions are reprinted in an appendix to this brief. App., *infra*, 1a-29a.

STATEMENT

1. A trademark is a "word, name, symbol, or device" used by a person "to identify and distinguish his or her goods" in commerce and "to indicate the source of the goods." 15 U.S.C. 1127. "[T]rademarks desirably promote competition and the maintenance of product quality." *Park 'N Fly, Inc.* v. *Dollar Park & Fly, Inc.*, 469 U.S. 189, 193 (1985). Trademark law also protects the public by preventing competing merchants from using similar marks to confuse or mislead consumers. See, *e.g.*, *B & B Hardware, Inc.* v. *Hargis Indus., Inc.*, 135 S. Ct. 1293, 1299 (2015).

Trademark rights are not created by federal law, but rather arise through use of a mark in commerce in connection with particular goods and services. See, *e.g.*, *B & B Hardware, Inc.*, 135 S. Ct. at 1299; *In re Trade-Mark Cases*, 100 U.S. 82, 92 (1879). Those common-law rights include the right to prevent others from using the mark and the right to sue for infringement. See *ibid.*

Certain federal remedies for infringement, dilution, and unfair competition are available to owners of all marks used in interstate or foreign commerce, regardless of whether a mark is registered. See 15 U.S.C. 1125(a), (b), and (d); see also *B & B Hardware*, 135 S. Ct. at 1301 (federal cause of action for infringe-

ment applies to all mark owners).[1] Congress has also created a system of federal registration that confers additional benefits upon the owners of registered marks. See *B & B Hardware*, 135 S. Ct. at 1300; see generally Act of July 5, 1946 (Lanham Act), ch. 540, 60 Stat. 427 (15 U.S.C. 1051 *et seq.*). For example, registration provides prima facie evidence of the owner's exclusive right to use the mark in commerce in connection with the goods or services listed in the registration. 15 U.S.C. 1057(b), 1115(a). Registration also provides constructive notice of the registrant's claim of ownership of the mark. 15 U.S.C. 1072. After five years of registration, an owner's right to use a trademark can become "incontestable," so that it may be challenged only on limited grounds. 15 U.S.C. 1065, 1115(b). In order to facilitate the mark owner's ability to invoke these protections, the government issues to the owner a certificate of registration "in the name of the United States of America," 15 U.S.C. 1057(a); publishes the mark in the PTO's *Trademark Official Gazette*, 15 U.S.C. 1062; and records the mark in the PTO's Principal Register or Supplemental Register, 15 U.S.C. 1051(a)(1), 1057(a), 1091.[2]

To obtain federal registration, a mark owner submits an application to the United States Patent and

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[1] Contrary to the court of appeals' suggestion (Pet. App. 4a-5a), a mark need not be federally registered for the mark owner to invoke these remedies. Section 1125 refers to a "mark," and the Lanham Act's definition of "mark" does not require registration. See 15 U.S.C. 1127; p. 21, *infra*.

[2] These federal registration and remedy provisions apply equally to trademarks, which identify goods in commerce, and service marks (such as respondent's mark), which identify services in commerce. See 15 U.S.C. 1053, 1127.

Trademark Office (PTO). 15 U.S.C. 1051(a). Only marks meeting the criteria set out by Congress can be registered. As relevant here, Congress has directed the PTO to "refuse[] registration" of marks consisting of or comprising "matter which may disparage * * * persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute," even if they are capable of distinguishing the owner's goods or services. 15 U.S.C. 1052(a).[3]

2. Respondent is the lead singer of a dance-rock band called "The Slants." Pet. App. 10a. In 2011, he sought to federally register the mark THE SLANTS in connection with live performances by his band. *Id.* at 162a & n.1, 166a; see J.A. 12-24.[4] Respondent had been using that mark in commerce to identify the band since 2006. Pet. App. 10a; J.A. 13.

A PTO examining attorney refused to register the mark on the ground that it is disparaging to persons of Asian ancestry. J.A. 25-31, 33-38; see 15 U.S.C. 1052(a), 1053. The examining attorney relied on evidence that "[s]lant" is a "negative term regarding the shape of the eyes of certain persons of Asian descent," which has a "long history of being used to deride and

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[3] Congress also has directed the PTO to refuse registration of immoral, deceptive, and scandalous marks, 15 U.S.C. 1052(a); marks containing a flag, coat of arms, or insignia of the United States, a State, or a foreign nation, 15 U.S.C. 1052(b); marks including a name, portrait, or signature of a living person without his or her consent, 15 U.S.C. 1052(c); marks that so resemble other marks that they are likely to cause confusion, 15 U.S.C. 1052(d); marks that are merely descriptive, 15 U.S.C. 1052(e)(1); and marks that are functional, 15 U.S.C. 1052(e)(5).

[4] Respondent first filed a trademark-registration application for THE SLANTS in 2010, but he subsequently abandoned that application. Pet. App. 10a n.2.

mock a physical feature of those individuals." J.A. 28. The examining attorney noted that the refusal of registration "does not mean that [the band] must use a different name with its music performances" or "is otherwise prohibited from using the wording 'The Slants' in association with its music." J.A. 30.

The PTO's Trademark Trial and Appeal Board (Board) affirmed. Pet. App. 162a-182a. The Board concluded that respondent's mark is used to refer to an identifiable group of people—persons of Asian ancestry—and that the mark is disparaging to a substantial composite of that group. *Id.* at 173a-174a, 180a-181a. The Board explained that dictionary definitions and other record evidence "unanimously categorize[d] the word 'slant,' when meaning a person of Asian descent, as disparaging," *id.* at 180a, and that the band itself has characterized its name as "derived from an ethnic slur for Asians," *id.* at 166a (citation omitted). Respondent had argued that he sought to "take on * * * stereotypes" about Asians rather than to disparage persons of Asian ancestry, *ibid.*, but the Board determined that a mark's status as "disparaging" does not depend on the applicant's purpose in using the mark, *id.* at 181a. The Board further concluded that the PTO's refusal to register respondent's mark does not violate the First Amendment because the denial of registration does not suppress speech or proscribe conduct, but simply prevents respondent from calling upon the resources of the federal government to assist him in enforcing the mark. *Id.* at 181a-182a.

3. A panel of the court of appeals affirmed. Pet. App. 123a-161a. The court first rejected respondent's argument that the Board had erred in finding his

mark disparaging under Section 1052(a). The court concluded that substantial evidence supports the Board's findings that "the mark THE SLANTS refers to people of Asian descent" and that the mark "is likely offensive to a substantial composite of people of Asian descent." *Id.* at 127a-131a. The court noted that "the definitions in evidence universally characterize the word 'slant' as disparaging, offensive, or an ethnic slur when used to refer to a person of Asian descent." *Id.* at 130a.

The court of appeals panel rejected respondent's various constitutional challenges, including his facial First Amendment challenge to Section 1052(a)'s disparagement provision. Relying on circuit precedent, the court explained that "the PTO's refusal to register [the] mark does not affect [respondent's] right to use it"; that "[n]o conduct is proscribed, and no tangible form of expression is suppressed"; and that respondent's First Amendment rights therefore are not "abridged by the refusal to register his mark." Pet. App. 131a (quoting *In re McGinley*, 660 F.2d 481, 484 (C.C.P.A. 1981), overruled by Pet. App. 1a-122a); see *id.* at 131a-132a (citing other Federal Circuit decisions reaching the same conclusion). The court also rejected respondent's vagueness, due process, and equal protection challenges. *Id.* at 132a-134a.

4. The en banc court of appeals vacated the Board's decision and remanded. Pet. App. 1a-122a. The court first reviewed the record evidence and upheld the panel's determination that respondent's mark is "disparag[ing]" within the meaning of 15 U.S.C. 1052(a). Pet. App. 12a-13a & n.3. The court further held, however, that Section 1052(a)'s ban on the registration of

disparaging trademarks is facially unconstitutional. *Id.* at 3a, 19a n.5.

The en banc court of appeals rejected the government's argument that Congress may, consistent with the First Amendment, create an optional program of federal trademark registration without opening that program to racial slurs and other disparaging marks. Pet. App. 27a-28a. Instead, the court viewed Section 1052(a)'s ban on registration of disparaging trademarks as a law that "penalize[s] private speech merely because [the government] disapproves of the message it conveys." *Id.* at 2a. Because the court interpreted Section 1052(a)'s disparagement provision as a viewpoint-based restriction on speech, it subjected the provision to strict scrutiny and found it facially invalid under the First Amendment. *Id.* at 17a-19a, 67a. The court also stated that it would find the provision unconstitutional even under the more forgiving First Amendment standard governing restrictions on commercial speech because there is no "substantial government interest justifying" Congress's decision to forbid federal registration of disparaging marks. *Id.* at 61a-67a.

Judge O'Malley (joined by Judge Wallach) filed a concurring opinion, Pet. App. 68a-80a, agreeing with the majority's First Amendment analysis and stating the view that Section 1052(a)'s disparagement provision also is unconstitutionally vague (an issue the majority did not reach), *id.* at 68a. Judge Dyk (joined in part by Judges Lourie and Reyna) concurred in part and dissented in part. *Id.* at 80a-104a. He would have held that the ban on registration of disparaging marks is facially constitutional because registration is a government benefit for commercial speech that rea-

sonably may be denied to disparaging marks. *Id.* at 90a-97a. He would have further held, however, that the statute is unconstitutional as applied here because respondent's mark involves "political" speech. *Id.* at 103a-104a.

Judge Lourie dissented, concluding that the disparagement provision is constitutional because it does not prohibit any speech but instead permissibly defines the boundaries of a federal program. Pet. App. 104a-108a. Judge Reyna also dissented, *id.* at 108a-122a, expressing the view that Section 1052(a)'s disparagement provision is a permissible regulation of commercial speech because it "directly advances the government's substantial interest in the orderly flow of commerce," *id.* at 108a.

SUMMARY OF ARGUMENT

The prohibition on registration of disparaging marks in 15 U.S.C. 1052(a) is facially constitutional under the First Amendment. Section 1052(a) defines the marks eligible for federal registration and publication and for the federal benefits associated with that government program. It does not in any way restrict respondent's freedom of speech. Nothing in the First Amendment requires Congress to encourage the use of racial slurs in interstate commerce.

A. This Court has recognized a fundamental distinction between laws that regulate speech and laws that selectively fund a government program. "[W]hen the Government appropriates public funds to establish a program it is entitled to define the limits of that program." *Rust* v. *Sullivan*, 500 U.S. 173, 194 (1991).

Applying that principle, the Court has upheld the denial of federal tax-exempt status for non-profit organizations' lobbying activities, see *Regan* v. *Taxa-*

tion With Representation of Wash., 461 U.S. 540, 546 (1983), and has sustained federal regulations that prohibited use of family-planning funds for abortion-related services, *Rust*, 500 U.S. at 194. In so holding, the Court has "reject[ed] the notion that First Amendment rights are somehow not fully realized unless they are subsidized by the State." *Regan*, 461 U.S. at 546 (citation and internal quotation marks omitted); see *Rust*, 500 U.S. at 192-193. The Court has also applied the "general rule that the Government may choose not to subsidize speech" (*id.* at 200) in upholding conditions on other forms of government assistance, such as the provision of a payroll-deduction mechanism for use by a union in collecting agency-shop fees. See *Davenport* v. *Washington Educ. Ass'n*, 551 U.S. 177, 187-188 (2007); see also *Ysursa* v. *Pocatello Educ. Ass'n*, 555 U.S. 353, 359 (2009). And the Court has upheld the State of Texas's decision not to provide a "mobile billboard" for offensive messages on state specialty license plates. *Walker* v. *Texas Div., Sons of Confederate Veterans, Inc.*, 135 S. Ct. 2239, 2253 (2015) (citation omitted).

The common thread running through these decisions is that the government has significant discretion to decide which activities to fund and what criteria to use for inclusion in government programs. Because the government is not restricting speech, but merely declining to provide government assistance, the strict scrutiny normally applicable to content- and viewpoint-based distinctions is inappropriate.

B. Section 1052(a) establishes criteria for participation in the government's trademark-registration program; it does not restrict speech.

Trademark rights arise though use of the mark in commerce, not by operation of federal law, and a mark holder may enforce its mark without registering it. But voluntary federal registration provides important benefits. Among other things, registration provides notice of the registrant's claim of ownership of the mark and prima facie evidence of validity. 15 U.S.C. 1057(b), 1072, 1115(b). The registrant is issued a certificate "in the name of the United States of America" and under the seal of the PTO, and the registered mark is published in the PTO's *Trademark Official Gazette* and on its official register. 15 U.S.C. 1051(a)(1), 1057(a), 1062, 1091.

A mark is not eligible for federal registration if, *inter alia*, it contains "matter which may disparage * * * persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute." 15 U.S.C. 1052(a). Refusal of registration does not affect respondent's ability to use THE SLANTS as a trademark or to engage in any other speech, but simply renders unavailable the various benefits and protections that federal registration provides. Those benefits are directly traceable to the resources devoted by the federal government to examining, publishing, and issuing certificates of registration for those marks. Under the court of appeals' decision, the federal government would be required to register, publish, and transmit to foreign countries marks containing crude references to women based on parts of their anatomy; the most repellent racial slurs and white-supremacist slogans; and demeaning illustrations of the prophet Mohammed and other religious figures. In addition to the government's interest in declining to create incentives for the use of such

marks in commerce, the government has a substantial interest in avoiding the incorporation of objectionable marks into official government communications, and the consequent association of the marks with the government itself.

The court of appeals believed that denial of the benefits that trademark registration provides imposed a First Amendment burden on respondent. But this Court has rejected that view, explaining that the "decision not to subsidize the exercise of a fundamental right does not infringe that right." *Regan*, 461 U.S. at 549. The court of appeals erred in characterizing Section 1052(a)'s disparagement provision as imposing an "unconstitutional condition." That provision does not trigger "unconstitutional conditions" analysis because it does not go beyond "defin[ing] the limits of the government spending program" and "seek to leverage funding to regulate speech outside the contours of the program itself." *Agency for Int'l Dev.* v. *Alliance for Open Soc'y, Int'l, Inc.*, 133 S. Ct. 2321, 2328 (2013). To the extent that Section 1052(a)'s eligibility criteria encourage people to adopt non-disparaging terms as trademarks, that encouragement is permissible because mark holders remain "free to engage in such speech as they see fit" (*Ysursa*, 555 U.S. at 359) outside of the trademark-registration program.

C. Section 1052(a)'s disparagement provision is facially constitutional. Like the government programs this Court has previously upheld, that provision defines eligibility for the government benefits associated with registration; premises registration only on the content of the mark itself and does not restrict the applicant's expression outside of the program; and reflects a policy choice to encourage activities that are in

the public interest. To the extent that the effect of registration is to incorporate registered marks into official government documents, Section 1052(a)'s disparagement provision is particularly analogous to the ban on offensive specialty-license-plate designs upheld in *Walker*. Just as any motorist who wished to display a Confederate battle flag on his vehicle could do so on a bumper sticker without the State's assistance, respondent can use the term "slants" in any way he wants even if his trademark cannot be registered. And just as the State of Texas could permissibly disassociate itself from a symbol it viewed as offensive to the public, the federal government can permissibly disassociate itself from disparaging trademarks.

The court of appeals concluded that Section 1052(a) is not a condition on a government program, but the court's reasoning is unpersuasive. Section 1052(a) establishes criteria for government assistance in enforcing marks that identify goods and services in commerce; it does not restrict speech. The court of appeals also erred in failing to see the applicability of the government-speech doctrine. That doctrine is implicated here because owners of registered marks are issued certificates in the name of the United States, and the government publishes the marks and transmits registration information to foreign countries. And the court of appeals was wrong to view Section 1052(a)'s disparagement provision as an impermissible viewpoint-based restriction on speech. The provision does not premise registration on the viewpoint of the mark holder and does not raise any realistic threat of driving certain viewpoints from the marketplace of ideas.

Section 1052(a) serves Congress's legitimate interests. Having created a federal trademark-registration program, Congress may legitimately decide that it is not in the public interest to encourage use of disparaging terms to identify goods and services in commerce. And because the effect of registration is to cause registered marks to be incorporated into various formal government communications, the government has an additional interest in disassociating itself from racial slurs and other offensive speech. The Constitution does not put Congress to the choice of either eliminating the federal trademark-registration program altogether or promoting the use of racial slurs in interstate commerce. The judgment of the court of appeals should be reversed.

ARGUMENT

THE FEDERAL STATUTORY PROHIBITION ON THE REGISTRATION OF DISPARAGING TRADEMARKS, 15 U.S.C. 1052(a), IS FACIALLY CONSTITUTIONAL UNDER THE FIRST AMENDMENT

Congress has established a voluntary program of federal trademark registration that affords certain protections to eligible marks. A mark is not eligible for registration if, *inter alia*, it consists of words or symbols that disparage persons, institutions, beliefs, or national symbols. 15 U.S.C. 1052(a). Respondent contends that Section 1052(a)'s disparagement provision is facially unconstitutional because it impermissibly burdens his speech based on its content. The court of appeals accepted that characterization of the provision and found the law invalid on its face.

That holding was erroneous. Section 1052(a) does not prohibit any speech but simply defines the criteria for participation in the government's voluntary

trademark-registration program. Just as the government may decline to provide funding for certain types of art or may exclude certain slogans or symbols from state-issued vehicle license plates, Congress may decline to provide the benefits of trademark registration to disparaging marks. The First Amendment does not require the federal government to assist those who wish to sell products or services using racial slurs, religious insults, or other disparaging marks.

A. There Is A Fundamental Constitutional Distinction Between Laws That Regulate Speech And Laws That Define Eligibility For A Government Program

1. For a variety of constitutional purposes, "[t]here is a basic difference between direct state interference with a protected activity and state encouragement of an alternative activity consonant with legislative policy." *Maher* v. *Roe*, 432 U.S. 464, 475 (1977). "Constitutional concerns are greatest when the State attempts to impose its will by force of law"; the State has "far broader" authority when it adopts programs to "encourage actions deemed to be in the public interest." *Id.* at 476.

In the First Amendment context in particular, the Court has squarely and repeatedly "reject[ed] the notion that First Amendment rights are somehow not fully realized unless they are subsidized by the State." *Regan* v. *Taxation With Representation of Wash.*, 461 U.S. 540, 546 (1983) (citation and internal quotation marks omitted). Although the particular doctrinal labels have varied, the Court's message has been clear: "The First Amendment prohibits government from 'abridging the freedom of speech' "; it "does not confer an affirmative right" to use government resources to facilitate private speech. *Ysursa* v. *Pocatello Educ.*

Ass'n, 555 U.S. 353, 355 (2009) (quoting U.S. Const. Amend. I). Accordingly, the Court has applied significantly more relaxed First Amendment scrutiny when evaluating a law that does not restrict expression but establishes eligibility criteria for a government program.

2. In several decisions, the Court has recognized the government's broad latitude in funding, or declining to fund, protected expression. In *Regan* v. *Taxation With Representation of Washington*, *supra*, the Court rejected a First Amendment challenge to a federal statute that denied tax-exempt status to organizations that engage in lobbying. 461 U.S. at 546-551. The Court recognized the fundamental difference between regulating speech and declining to support speech and noted that, in the challenged statute, "Congress has not infringed any First Amendment right or regulated any First Amendment activity" but instead "has simply chosen not to pay for * * * lobbying." *Id.* at 546.

The Court explained that "a legislature's decision not to subsidize the exercise of a fundamental right does not infringe the right." *Regan*, 461 U.S. at 549. The Court determined that, because the challenged statute did not prevent any organization from collecting funds for lobbying or from engaging in lobbying, the law was "not subject to strict scrutiny." *Id.* at 549-550. The Court then upheld the statute on rational-basis review. *Id.* at 550-551.

In *Rust* v. *Sullivan*, 500 U.S. 173 (1991), the Court rejected a First Amendment challenge to regulations that prohibited the use of federal family-planning funds to provide abortion-related services. *Id.* at 192-200. The Court invoked the principle that the "deci-

sion not to subsidize the exercise of a fundamental right does not infringe that right," *id.* at 193 (quoting *Regan*, 461 U.S. at 549), and explained that "when the Government appropriates public funds to establish a program it is entitled to define the limits of that program," *id.* at 194. The Court concluded that, in setting the condition on the use of family-planning funds, "the Government ha[d] not discriminated on the basis of viewpoint" but "ha[d] merely chosen to fund one activity to the exclusion of the other." *Id.* at 193.

The Court again distinguished between denial of government funding and suppression of speech when it rejected a facial First Amendment challenge to a statute directing a panel awarding federal arts grants to consider "decency and respect for the diverse beliefs and values of the American public." *National Endowment for the Arts* v. *Finley*, 524 U.S. 569, 572-573 (1998) (quoting 20 U.S.C. 954(d)(1)). The Court observed that "Congress may 'selectively fund a program to encourage certain activities it believes to be in the public interest without at the same time funding an alternative program which seeks to deal with the problem another way.'" *Id.* at 588 (quoting *Rust*, 500 U.S. at 193). The Court upheld Congress's decision to take "content-based considerations * * * into account in the grant-making process," explaining that this was a permissible "consequence of the nature of arts funding" rather than an impermissible burden on speech. *Id.* at 585.

In *United States* v. *American Library Ass'n*, 539 U.S. 194 (2003), the Court upheld a federal statute that required public libraries to use internet filters as a condition of federal funding. *Id.* at 212-214 (plurality opinion); *id.* at 214-215 (Kennedy, J., concurring in

the judgment); *id.* at 215-216 (Breyer, J., concurring in the judgment). The plurality reaffirmed Congress's "wide latitude to attach conditions to the receipt of federal assistance in order to further its policy objectives." *Id.* at 203.

3. The "general rule that the Government may choose not to subsidize speech" (*Rust*, 500 U.S. at 200) has not been limited to programs involving the distribution of government funds, but has been applied to other types of government assistance as well. In *Davenport* v. *Washington Education Ass'n*, 551 U.S. 177 (2007), the Court upheld a state law that allowed unions to use agency-shop fees for political activities only when the public employees who paid the fees had affirmatively consented. *Id.* at 187-190. The Court explained that the State was providing a benefit—the ability to collect agency-shop fees from public-sector employees through payroll deductions—and that the State therefore had wide latitude to define the conditions on which that benefit would be available. *Id.* at 181-182, 187-188. The Court found that the statute imposed no impermissible burden on protected activity, explaining that even if a union could not take advantage of the payroll deductions, the union "remain[ed] as free as any other entity to participate in the electoral process" with funds raised from other sources. *Id.* at 190.

Similarly in *Ysursa* v. *Pocatello Education Association*, *supra*, the Court upheld a state law that prohibited public-employee payroll deductions for political activities. 555 U.S. at 358-361. The Court observed that the challenged law "d[id] not restrict political speech, but rather decline[d] to promote that speech" by allowing unions to collect funds for political speech

through payroll deductions. *Id.* at 355. The Court explained that the decision not to provide government assistance (in the form of payroll deductions) to raise funds for political speech "is not an abridgment of the unions' speech," and so the State "need only demonstrate a rational basis" to justify its decision. *Id.* at 359.[5]

4. Most recently, in *Walker* v. *Texas Division, Sons of Confederate Veterans, Inc.*, 135 S. Ct. 2239 (2015), the Court upheld Texas's decision not to permit a Confederate-flag design on motor-vehicle specialty license plates because the design "might be offensive to * * * the public." *Id.* at 2245 (quoting Tex. Transp. Code Ann. § 504.801(c)). Relying on *Rust*, the Court noted that the government may "choose[] to fund a program dedicated to advanc[ing] certain permissible goals," even if the program "necessarily discourages alternative goals." *Id.* at 2246 (quoting *Rust*, 500 U.S. at 194). "[B]ased on the historical context, observers' reasonable interpretation of the messages conveyed by Texas specialty plates, and the effective control that the State exerts over the design selection process," the Court concluded that "Texas's specialty license plate designs 'are meant to convey and have the effect of conveying a government message'" and therefore "'constitute government speech.'" *Id.* at

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[5] Respondent has suggested that *Ysursa* and *Davenport* involved the "equivalent" of a disbursement of federal funds because those cases involved payroll deductions. Resp. Cert. Br. 26. But the funds at issue belonged to the employees from whose paychecks the deductions were taken, not to the government. Those cases therefore are properly viewed as involving government assistance through means other than the disbursement of public funds.

2251 (quoting *Pleasant Grove City* v. *Summum*, 555 U.S. 460, 472 (2009)).

The Court recognized that license plates implicate private speech as well as government speech, because a motorist whose vehicle carries the license plate "convey[s] the messages communicated through those designs." *Walker*, 135 S. Ct. at 2252. The Court determined, however, that the government interest in not being associated with certain messages justified Texas's ban on license-plate designs that the State deemed offensive to the public. The Court concluded that, "just as Texas cannot require SCV [Sons of Confederate Veterans] to convey 'the State's ideological message,' SCV cannot force Texas to include a Confederate battle flag on its specialty license plates." *Id.* at 2253 (quoting *Wooley* v. *Maynard*, 430 U.S. 705, 715 (1977)).

5. The common thread uniting these decisions is that the government has significant discretion to decide which activities to fund or what criteria to use for inclusion in government programs. Because the government is not restricting speech, but instead declining to provide government assistance, the strict scrutiny normally applicable to content- and viewpoint-based regulations of speech is inapplicable. These general principles apply not only when the government distributes public funds to private program participants, but also when the government furnishes other forms of assistance, as by providing a payroll-deduction mechanism or by emblazoning a private entity's preferred message on a state-issued license plate.

B. Section 1052(a)'s Ban On Registration Of Disparaging Marks Does Not Restrict Speech

1. Section 1052(a) establishes criteria for government assistance in identifying the source of goods and services in commerce

Trademarks are distinctive words or symbols used to identify the source of the owner's goods and to distinguish them from goods provided by others. 1 Anne Gilson LaLonde, *Gilson on Trademarks* § 1.03[1] (2016); see 15 U.S.C. 1127; see also 15 U.S.C. 1053 (service marks). Trademark rights arise as a result of the owner's use of the mark in commerce, not by operation of federal law. *B & B Hardware, Inc.* v. *Hargis Indus., Inc.*, 135 S. Ct. 1293, 1299 (2015); *United Drug Co.* v. *Theodore Rectanus Co.*, 248 U.S. 90, 97 (1918); see *Gilson on Trademarks* § 3.02[2][a]. Ownership of any trademark (registered or unregistered) confers significant rights on the mark holder, both under the common law and under the Lanham Act. Congress has also established a federal trademark-registration program under which registered marks receive additional protection. This case is a facial challenge to one of the criteria for participation in the federal trademark-registration program.

a. Even when a particular trademark is unregistered, the mark's owner may use the mark and may assert its common-law right to prevent others from using the mark. See, *e.g.*, *Hanover Star Milling Co.* v. *Metcalf*, 240 U.S. 403, 411-419 (1916); *In re Trade-Mark Cases*, 100 U.S. 82, 92 (1879). Holders of unregistered marks can also invoke the Lanham Act's federal cause of action to protect their marks against misappropriation and consumer confusion. 15 U.S.C. 1125(a)(1); see *Two Pesos, Inc.* v. *Taco Cabana, Inc.*,

505 U.S. 763, 768 (1992) (explaining that Section 1125(a) "protects qualifying unregistered trademarks"). Congress has also prohibited the importation of goods bearing confusing markings without regard to federal registration. 15 U.S.C. 1125(b). It has provided federal protections against cybersquatting on unregistered marks. See 15 U.S.C. 1125(d) (creating civil action for "the owner of a mark" to counteract cyberpiracy, without regard to federal registration). And it has permitted awards of treble damages for the infringement of unregistered trademarks. 15 U.S.C. 1117(a) (authorizing a district court to remedy "a violation under section 1125(a)" by awarding "any sum above the amount found as actual damages, not exceeding three times such amount").

Contrary to the court of appeals' suggestion (Pet. App. 4a-5a), federal registration is not a prerequisite to invocation of these remedies. To the extent they refer to marks at all, the provisions of 15 U.S.C. 1125 refer to a "mark," not to a registered mark. The Lanham Act defines the term "mark" to include any trademark, and defines the term "trademark" to include "any word, name, symbol, or device, or any combination thereof" that is used by a person "to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of goods." 15 U.S.C. 1127. The owner of any mark—registered or not—therefore may invoke the remedies that Congress made available under 15 U.S.C. 1125.

b. The federal trademark-registration program provides additional protections and benefits for federally registered marks. Registration provides constructive notice of the registrant's claim of ownership of the

mark, 15 U.S.C. 1072; is prima facie evidence of the mark's validity and the registrant's ownership of the mark, 15 U.S.C. 1057(b); and can cause the mark to become incontestable (except on limited grounds) after five years, 15 U.S.C. 1065, 1115(b). The owner of a mark receives a certificate of registration "issued in the name of the United States of America, under the seal of the United States Patent and Trademark Office" and signed by the Director of the PTO. 15 U.S.C. 1057(a); see Blackhorse et al. C.A. Amicus Br. Exs. 1-10 (providing examples of registration certificates). Those certificates are submitted to other countries when the mark holder seeks recognition of its mark abroad under the Paris Convention for the Protection of Industrial Property (Paris Convention), see Art. 6^{quinquies}, July 14, 1967, 21 U.S.T. 1643-1645, 828 U.N.T.S. 331, 333, and the PTO certifies and transmits the registration information to the International Bureau of the World Intellectual Property Organization through the international registration system of the Madrid Protocol, see 15 U.S.C. 1141b. Registered marks also are published in the PTO's *Trademark Official Gazette*, 15 U.S.C. 1062; see PTO, *Trademark Official Gazette*, https://www.uspto.gov/learning-and-resources/official-gazette/trademark-official-gazette-tmog (last visited Nov. 9, 2016), and are recorded in the PTO's Principal Register or Supplemental Register, 15 U.S.C. 1051(a)(1), 1057(a), 1091. And the owner of a registered mark may use the symbol ® to indicate government registration of the mark. 15 U.S.C. 1111.

Not all marks are eligible for federal registration. In Section 1052, Congress directed the PTO to "refuse[] registration" of certain marks "on account of their nature." 15 U.S.C. 1052. Under this provision, a

mark is ineligible for registration if it is merely descriptive, 15 U.S.C. 1052(e)(1)-(3); functional, 15 U.S.C. 1052(e)(5); deceptive, 15 U.S.C. 1052(a); or likely to cause confusion because of similarity to another mark, 15 U.S.C. 1052(d). Marks also are ineligible for registration if they contain certain symbols of the United States, a State, or a foreign nation, 15 U.S.C. 1052(b); the name, portrait, or signature of a living person (or of a deceased U.S. president during the life of the surviving spouse) without consent, 15 U.S.C. 1052(c); or immoral or scandalous matter, 15 U.S.C. 1052(a). And, as relevant here, a mark is ineligible for registration if it contains "matter which may disparage * * * persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute." *Ibid.*

Only Section 1052(a)'s prohibition on the registration of disparaging marks is at issue in this case.[6] Federal law has prohibited registration of disparaging marks since 1946. See Lanham Act § 2(a), 60 Stat.

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[6] The validity of Section 1052(a)'s prohibition against registering "scandalous" marks is at issue in *In re Brunetti*, No. 15-1109, a case currently pending before the Federal Circuit. The applicant in that case seeks federal registration of the mark FUCT for a line of clothing. The PTO rejected the application on the ground that the mark is "scandalous" within the meaning of Section 1052(a), explaining that the mark is a homonym for a crude obscenity. See *In re Brunetti*, Serial No. 85310960, 2014 WL 3976439, at *4-*6 (T.T.A.B. Aug. 1, 2014) (non-precedential opinion), appeal pending, No. 15-1109 (Fed. Cir. docketed Oct. 28, 2014). After the court of appeals' decision in this case, the government acknowledged that, under the en banc majority's reasoning, Section 1052(a)'s ban on registration of "scandalous" marks is invalid as well. See Letter of Appellee Lee at 2, *In re Brunetti*, No. 15-1109 (Fed. Cir. Jan. 21, 2016) (Docket entry No. 52).

428; see also Act of Feb. 20, 1905, ch. 592, § 5, 33 Stat. 725 (prohibition on registration of marks containing scandalous or immoral matter). The Lanham Act was enacted in part to "carry out by statute our international commitments," H.R. Rep. No. 219, 79th Cong., 1st Sess. 4 (1945); by 1946, the United States had acceded to treaties that allowed parties thereto to refuse recognition of trademarks because they were disparaging or on similar grounds.[7] Nearly every State now includes a provision in its trademark laws that prohibits state registration of disparaging marks.[8] The PTO determines whether a mark is disparaging by ascertaining the likely meaning of the mark in the context in which it is used, and then, if the mark refers to persons, institutions, beliefs, or national sym-

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[7] See General Inter-American Convention for Trade Mark and Commercial Protection, Feb. 20, 1929, Art. 3(4), 46 Stat. 2916, T.S. No. 833 (authorizing refusal of registration or deposit for marks "[w]hich tend to expose persons, institutions, beliefs, national symbols or those of associations of public interest to ridicule or contempt"); Paris Convention for the Protection of Industrial Property, Mar. 20, 1883, Art. 6, 25 Stat. 1376 (U.S. accession effective May 30, 1887) (authorizing refusal of registration and invalidation of marks "contrary to morals and to public order").

[8] The International Trademark Association's model law prohibits registration of marks that consist of or comprise "immoral, deceptive or scandalous matter" or matter that "may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute." 3 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 22:9.25, at 22-46 (4th ed. 2016) (quoting Model State Trademark Bill § 2 (2007)). Almost all States have adopted that provision. See *id.* § 22:5, at 22-20.4; see also Anne Gilson LaLonde & Jerome Gilson, *Trademarks Laid Bare: Marks That May Be Scandalous Or Immoral*, 101 Trademark Rep. 1476, 1477 n.3 (2011) (listing state statutes).

bols, assessing whether that meaning is disparaging to a substantial composite of the referenced group. See Pet. App. 172a (quoting *In re Lebanese Arak Corp.*, 94 U.S.P.Q.2d 1215, 1217 (T.T.A.B. 2010)).[9]

2. Section 1052(a)'s disparagement provision does not restrict speech

Section 1052(a)'s ban on registration of disparaging trademarks establishes a criterion for participation in a federal program, not a restriction on speech. Section 1052 of Title 15 is entitled "[t]rademarks registrable on [the] principal register." 15 U.S.C. 1052. Section 1052(a) limits the marks that may be federally registered, but it does not restrict the mark holder's ability to use its mark or to engage in any other speech. See *In re Boulevard Entm't, Inc.*, 334 F.3d 1336, 1343 (Fed. Cir. 2003) ("[T]he refusal to register a mark does not proscribe any conduct or suppress any form of expression because it does not affect the applicant's right to use the mark in question."); *In re McGinley*, 660 F.2d 481, 484 (C.C.P.A. 1981) (Under Section 1052(a), "[n]o conduct is proscribed, and no tangible form of expression is suppressed."), overruled by Pet. App.

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[9] A panel of the court of appeals applied that test and concluded that respondent's mark is disparaging, Pet. App. 127a-131a, and the en banc court upheld that conclusion, *id.* at 12a n.3. Respondent did not dispute the test below. See Resp. C.A. Br. 16-42; Resp. C.A. Reply Br. 5-19. In his certiorari-stage brief, respondent argued that his mark is not disparaging. See Resp. Cert. Br. i. When it granted certiorari, this Court did not ask the parties to brief any additional question concerning the applicability of the statutory bar to respondent's mark, nor did the Court ask the parties to address whether the statute is unconstitutionally vague. See 2016 WL 1587871 (Sept. 29, 2016); Cert. Reply Br. 10; see also note 14, *infra* (addressing respondent's vagueness argument).

1a-122a. The only consequence of failing to satisfy the statutory criterion is that the mark is "refused registration." 15 U.S.C. 1052.

Section 1052(a)'s disparagement provision does not abridge respondent's freedom of speech. It does not limit what respondent may name his band, what songs he may sing, how he may advertise, or what messages he may convey, through his band or in his own private speech. If respondent wishes to start a public debate about reappropriating racial slurs and using them as "badges of pride" rather than as insults, Resp. Cert. Br. 2, he is free to do so. See *id.* at 3-4 (respondent's examples of how he has attempted to "reclaim" racial slurs by using them in his band's album titles and song lyrics). If respondent wishes to use disparaging terms to refer to African-Americans, women, and gay people (see *id.* at 2, 14, 19, 31-33) in his music, in his legal briefs, or in everyday conversation, he may do that as well. See Pet. App. 120a (Reyna, J., dissenting) ("Mr. Tam remains free to spread his chosen message to all who would listen without fear of government intervention or reprisal."). Respondent likewise may continue to use THE SLANTS to identify his band's services in commerce, see *id.* at 105a (Lourie, J., dissenting) (respondent "may use his trademark as he likes" without federal registration), and may invoke the federal cause of action (15 U.S.C. 1125(a)) to sue for redress.[10] Indeed, although respondent first

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[10] It is unclear whether a racially disparaging mark such as respondent's would have been enforceable at common law. See William Henry Browne, *A Treatise on the Law of Trade-Marks* § 602, at 464-465 (1873) (noting "a rule of universal application" that trademarks "must not transgress the rules of morality or public policy," and thus that trademarks that blaspheme religious objects

used the mark THE SLANTS in commerce in 2006, he did not apply for registration until 2010. Pet. App. 10a. Respondent's freedom of speech was not impaired or unrealized before he sought federal trademark registration, nor has his freedom of speech been impaired by the denial of such registration.

The PTO's refusal of registration for THE SLANTS did not impair respondent's ability to speak freely but only denied him and his band the various benefits provided by the federal trademark-registration program. The benefits that registration confers on the trademark owner are directly traceable to the resources devoted by the federal government to examining, publishing, and issuing certificates of registration for those marks. For example, because registered marks have withstood PTO examination, registration provides prima facie evidence of the owner's exclusive right to use the mark in connection with particular goods or services in commerce. 15 U.S.C. 1057(b), 1115(a). The official register of marks provides U.S. Customs and Border Protection officers with a list to use in excluding counterfeit goods from importation. 15 U.S.C. 1124. And publication of registered marks provides nationwide constructive notice of the registrant's claim of ownership of the mark, 15 U.S.C. 1072, which in turn justifies the rule that the registrant's exclusive rights in the mark and the mark's validity become incontestable to certain challenges after a period of time, see 15 U.S.C. 1065, 1115(b), thereby allowing mark holders to use the

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would not be recognized). Section 1052(a)'s disparagement provision does not speak to that question: It renders respondent's mark ineligible for federal registration, but it does not alter whatever common-law rights in the mark respondent may have.

registration process to "quiet title" in their marks, see *Park 'N Fly, Inc.* v. *Dollar Park & Fly, Inc.*, 469 U.S. 189, 198 (1985). The advantages that federal registration provides to the mark holder reinforce the conclusion that Section 1052 generally, and Section 1052(a)'s disparagement provision in particular, limit access to government-conferred benefits rather than restrict private speech.

Those consequences of registration also underscore the scope and strength of the government's interests in enforcement of Section 1052(a)'s disparagement provision. The implication of respondent's position is that the federal government would be required to register, publish, and transmit to foreign countries marks containing crude references to women based on parts of their anatomy; the most repellent racial slurs and white-supremacist slogans; and demeaning illustrations of the prophet Mohammed and other religious figures. See, *e.g.*, Blackhorse et al. C.A. Amicus Br. 17 (providing examples); Pet. App. 101a (Dyk, J., concurring in part and dissenting in part) (providing additional examples). In addition to the government's interest in declining to create incentives for the use of such marks *in commerce*, the government has a substantial interest in avoiding the incorporation of objectionable marks into official government communications, and the consequent association of the marks with the government itself.

3. Ineligibility for a government benefit is not itself a First Amendment burden

The court of appeals viewed Section 1052(a)'s disparagement provision as a limitation on speech rather than as a criterion for participation in a federal program. Pet. App. 16a, 18a, 28a-31a. The court believed

that, if a mark owner cannot obtain the benefits of federal registration, his speech necessarily is burdened. See, *e.g.*, *id.* at 30a (Section 1052(a) "burdens some speakers and benefits others"); see also, *e.g.*, Resp. Cert. Br. 7, 25. That analysis is flawed. This Court has repeatedly distinguished, for constitutional purposes, between laws that restrict the exercise of constitutional rights and laws that simply withhold government subsidies or other benefits for constitutionally protected conduct.

"A refusal to fund protected activity, without more, cannot be equated with the imposition of a 'penalty' on that activity." *Harris* v. *McRae*, 448 U.S. 297, 317 n.19 (1980). "The Government has no constitutional duty to subsidize an activity merely because the activity is constitutionally protected," *Rust*, 500 U.S. at 201, and the "decision not to subsidize the exercise of a fundamental right does not infringe the right," *Regan*, 461 U.S. at 549. As the Court has repeatedly explained (*e.g.*, *Ysursa*, 555 U.S. at 355), the decision not to provide government assistance to expression generally does not "abridg[e] the freedom of speech" (U.S. Const. Amend. I). "To abridge is 'to contract, to diminish; to deprive of.'" *Finley*, 524 U.S. at 595 (Scalia, J., concurring in the judgment) (quoting Thomas Sheridan, *A Complete Dictionary of the English Language* (6th ed. 1796)). The government's denial of federal arts grants thus does not "abridge" the speech rights of unsuccessful applicants because those applicants "are as unconstrained now as they were before the enactment of th[e] statute." *Ibid.*

The Court's holdings in cases concerning First Amendment challenges to government subsidies and programs illustrate that eligibility requirements do

not ordinarily impose First Amendment burdens. Congress's decision not to provide a federal tax exemption to lobbying organizations did not burden them because the organizations could continue to lobby and raise money for lobbying. *Regan*, 461 U.S. at 545. A State's decision not to assist unions by providing automatic payroll deductions for political activities did not burden the unions because they remained free to raise money from other sources and through other collection mechanisms, and to use that money to "engage in such speech as they see fit." *Ysursa*, 555 U.S. at 359. An internet-filter condition "d[id] not 'penalize' libraries that choose not to install such software" because the libraries remained free to "offer unfiltered access * * * without federal assistance." *American Library Ass'n*, 539 U.S. at 212 (plurality opinion). And Congress's decision not to provide government funding for abortion-related services did not impermissibly burden the speech rights of grantees or their staff. *Rust*, 500 U.S. at 193.

Similarly here, Congress's refusal to afford disparaging marks the benefits of federal registration does not burden the mark owner's speech. The mark owner has all the rights to use the mark that he would have in the absence of the registration program. Section 1052(a) does not restrict what he may say or do but simply denies him a particular form of government assistance.

When one person receives a government subsidy and another does not, the first person may be comparatively better off than the second, but the second has not been burdened by the government. If the court of appeals' approach were correct, then every government decision to selectively fund exercise of a consti-

tutional right could be reconceptualized as a burden on that right. The court below suggested that ineligibility for a benefit becomes a burden when the benefit is especially valuable. See Pet. App. 18a, 28a, 30a. But this Court's decisions in such cases as *Regan*, *Rust*, and *Ysursa* has not turned on the value of the assistance offered by the government. Rather, the Court has found it decisive that the government has "the authority to impose limits on the use of [its] funds to ensure they are used in the manner [the government] intends." *Agency for Int'l Dev.* v. *Alliance for Open Soc'y Int'l, Inc.*, 133 S. Ct. 2321, 2328 (2013).

4. Section 1052(a)'s disparagement provision does not place an unconstitutional condition on mark owners

This Court has sometimes concluded that particular requirements for participation in a government program imposed "unconstitutional conditions" that impermissibly burdened expression. The court of appeals viewed those decisions as supporting its conclusion that Section 1052(a)'s ban on registration of disparaging trademarks violates the First Amendment. See Pet. App. 28a-31a. The court's reliance on those decisions was misplaced.

In *Agency for Int'l Development* v. *Alliance for Open Society Int'l., Inc.*, *supra*, the Court set forth the analysis that should be used to determine whether a condition on participation in a government program crosses the line between a permissible eligibility criterion and impermissible coercion. The "relevant distinction," the Court explained, "is between conditions that define the limits of the government spending program" and "conditions that seek to leverage funding to regulate speech outside the contours of the

program itself." 133 S. Ct. at 2328. Under that approach, the law at issue in *Regan*, which denied tax-exempt status to lobbying organizations, was a permissible condition because it allowed a non-profit entity to segregate its lobbying from its other activities and continue to lobby while maintaining tax-exempt status for the other activities. *Id.* at 2328-2329; see *Regan*, 461 U.S. at 545. In *Rust*, Congress's decision to "define[] the federal program to encourage only particular family planning methods" was permissible because clinic staff could advocate other methods outside the federal program. *Agency for Int'l Dev.*, 133 S. Ct. at 2329; see *Rust*, 500 U.S. at 196 ("The Title X grantee can continue to * * * engage in abortion advocacy.") (emphasis omitted).

By contrast, the Court viewed the federal funding criterion at issue in *Agency for Int'l Development* as an impermissible condition because it "reach[ed] outside" the relevant federal program to restrict expression in non-federally-funded activities. 133 S. Ct. at 2330. The program allocated funds to combat the spread of HIV and AIDS. *Id.* at 2324. The Court found it acceptable for Congress to specify that federal funds could not be used to advocate prostitution or sex trafficking, because Congress's power to appropriate funds "includes the authority to impose limits * * * to ensure they are used in the manner Congress intends." *Id.* at 2327-2328.

The Court held, however, that Congress had gone too far in requiring funding recipients to "have a policy explicitly opposing prostitution and sex trafficking." *Agency for Int'l Dev.*, 133 S. Ct. at 2324-2325 (quoting 22 U.S.C. 7631(f)). The Court explained that, by "demanding that funding recipients adopt—as their

own—the Government's view on an issue of public concern, the condition by its very nature affect[ed] 'protected conduct outside the scope of the federally funded program.'" *Id.* at 2330 (quoting *Rust*, 500 U.S. at 197). The recipient could not "avow the belief dictated by the [statute] when spending [program] funds" but then "turn around and assert a contrary belief, or claim neutrality, when participating in activities on its own time and dime." *Ibid.*; see *Legal Servs. Corp.* v. *Velazquez*, 531 U.S. 533, 542-547 (2001) (condition on use of funds for legal services was unconstitutional because, *inter alia*, it placed a "substantial restriction" on private speech and left "no alternative channel for expression").

The "unconstitutional conditions" doctrine thus limits Congress's wide latitude to define the terms of government programs only where "the Government has placed a condition on the *recipient* of the subsidy rather than on a particular program or service, thus effectively prohibiting the recipient from engaging in the protected conduct outside the scope of the federally funded program." *Rust*, 500 U.S. at 197. Under Section 1052(a), by contrast, an applicant is not required, as a condition of registering a mark, to promise never to use disparaging terms, or to endorse the view that racial slurs are unacceptable. Cf. *Agency for Int'l Dev.*, 133 S. Ct. at 2330 (condition impermissible because it "compell[ed] a grant recipient to adopt a particular belief as a condition of funding"). Respondent could register a non-disparaging mark while continuing to assert that his own use of a racial slur is a suitable means of "reappropriat[ing]" (Resp. Cert. Br. 2) the slur. Section 1052(a)'s disparagement provision thus imposes no "ongoing condition on recipients'

speech and activities," but instead leaves respondent unrestrained when he is "on [his] own time and dime." *Agency for Int'l Dev.*, 133 S. Ct. at 2330. Because Section 1052(a) speaks solely to the *registration* of disparaging marks, it permissibly "define[s] the federal program" but does not "reach outside it." *Ibid.*

5. Section 1052(a)'s encouragement to use non-disparaging marks does not impermissibly chill speech

The court of appeals viewed Section 1052(a)'s disparagement provision as a restriction on speech because that provision "creates a serious disincentive to adopt a mark which the government may deem offensive or disparaging." Pet. App. 31a. But when the government makes only some speech eligible for federal assistance, the prospect that a person will choose to engage in speech that meets the eligibility criteria, rather than speech that does not, is not an impermissible chilling effect. In *Finley*, for example, the Court recognized that artists, "as a practical matter," "may conform their speech to what they believe to be the decisionmaking criteria in order to acquire funding." 524 U.S. at 589. The Court held, however, that this incentive effect did not make the federal funding criteria coercive or impermissibly discriminatory. *Id.* at 588-589.

Indeed, under the court of appeals' approach, any government subsidy of speech could be viewed as improperly chilling speech that does not qualify for the subsidy. The tax-exemption provision at issue in *Regan* could have been said to chill investment in lobbying, and the spending restriction in *Rust* was plainly intended to discourage abortion-related activities. The Court found no impermissible chill, however, because

the affected organizations were "free to engage in such speech as they see fit" without federal funds. *Ysursa*, 555 U.S. at 359; see, *e.g.*, *Rust*, 500 U.S. at 196 (critical fact was that program "leave[s] the grantee unfettered in its other activities"); Pet. App. 95a (Dyk, J., concurring in part and dissenting in part) (explaining that a marginal shift in incentives "is commonly the effect of the denial of subsidies," but that "does not turn a subsidy provision into a regulatory provision, so long as the subsidy is not designed to limit speech outside of the subsidized program"). A government program, "in advancing [its] goals," "necessarily discourages alternative goals." *Rust*, 500 U.S. at 194. But a person's voluntary choice to engage in speech that qualifies for federal assistance is not a government abridgement of speech.

C. Section 1052 Establishes Permissible Criteria For The Federal Trademark-Registration Program

1. The federal trademark-registration program, including Section 1052(a)'s ban on registration of disparaging marks, is similar to programs this Court has upheld

Section 1052 includes all of the features this Court has identified as important to upholding similar government programs. Like the challenged provisions in *Regan*, *Rust*, *Ysursa*, and similar cases, Section 1052(a) defines eligibility for a discretionary government benefit. Trademarks were used and enforced for hundreds of years without government registration, *B & B Hardware*, 135 S. Ct. at 1299; *In re Trademark Cases*, 100 U.S. 82, 92 (1879), and Congress is not obligated to provide a registration system. Cf. *Davenport*, 551 U.S. at 184 (noting that the State

could "eliminate agency fees entirely"). But Congress concluded that federal registration would improve the flow of commerce, and it has provided various forms of assistance to registered marks. "These benefits all 'enlist' the government in support of the mark holder's commercial identification, much like the collection of nonmember fees in *Davenport* and the payroll deductions in *Ysursa* enlisted the states in support of the unions' political speech." Pet. App. 94a (Dyk, J., concurring in part and dissenting in part). "Just as the states were not obligated to enable labor unions to collect nonmember fees or take payroll deductions in the first place, the federal government is not obligated to provide these benefits of a trademark enforcement mechanism." *Ibid.*

Under Section 1052(a)'s disparagement provision, registrability depends on the content of the mark for which registration is sought; the statute places no "condition on the *recipient* of the subsidy" that prevents him from engaging in speech "outside the scope of the federally funded program." *Rust*, 500 U.S. at 197. Just as an artist denied federal arts funding could create as much excrement-smeared art as he wished without federal assistance, *Finley*, 524 U.S. at 574, 588, a person who is unable to register an offensive racial slur with the PTO may continue to use that term, as an unregistered trademark or otherwise. In Section 1052(a), Congress is "simply insisting that public funds be spent for the purposes for which they were authorized." *Rust*, 500 U.S. at 196.

Finally, Section 1052 generally, and Section 1052(a)'s disparagement provision in particular, reflect congressional policy choices about which marks the government wishes to assist. Just as Texas allowed specialty-

license-plate designs only if they were not "offensive" to the public, *Walker*, 135 S. Ct. at 2245 (citation omitted), and Congress funded only art that met standards of decency and respect for diversity, *Finley*, 524 U.S. at 576, Congress has chosen to provide particular forms of federal assistance only to marks that identify the sources of goods and services in commerce without using disparaging terms. As in *Walker*, *Rust*, and similar cases, Congress has "selectively fund[ed]" the trademark-registration program to "encourage certain activities it believes to be in the public interest,'" without placing any constraints on speech outside the registration program. *Id.* at 588 (quoting *Rust*, 500 U.S. at 193).

2. Section 1052(a)'s disparagement provision furthers government interests analogous to those implicated in **Walker**

This Court has not considered a government program precisely like the one at issue here. As explained above, however, the federal government, in administering the trademark-registration program, issues certificates of registration, publishes registered marks, and transmits registration information to foreign countries. With respect to those official communications, Section 1052(a)'s disparagement provision serves government interests analogous to those that underlay the license-plate condition upheld in *Walker*.

In *Walker*, the Court held that Texas could permissibly issue specialty state license plates without opening the program to a specialty-plate design that incorporated the Confederate battle flag. 135 S. Ct. at 2246-2253. The Court concluded that, although the State allowed private parties to propose specialty-plate designs, any designs that the State accepted

should be viewed as government speech. See *id.* at 2246, 2249-2250. The Court explained, *inter alia*, that "Texas license plates are, essentially, government IDs"; that because a bumper sticker could be used to communicate purely private sentiments, "a person who displays a message on a Texas license plate likely intends to convey to the public that the State has endorsed that message"; and that "Texas maintains direct control over the messages conveyed on its specialty plates." *Id.* at 2249.

Recognizing that there are some messages with which the State "d[id] not wish to be associated," such as "expressions of hate" toward particular racial groups, 135 S. Ct. at 2245, 2247 (citations omitted), the Court in *Walker* held that Texas could permissibly decline to "convey[]" those messages "on behalf of the government" through specialty license plates, *id.* at 2250. The Court observed that "[t]he fact that private parties take part in the design or propagation of a message does not extinguish the governmental nature of the message or transform the government's role into that of a mere forum-provider." *Id.* at 2251. The Court noted its prior holding in *Wooley* v. *Maynard*, *supra*, "that drivers who display a State's selected license plate designs convey the messages communicated through those designs." *Walker*, 135 S. Ct. at 2252. The Court concluded that, "just as Texas cannot require SCV [Sons of Confederate Veterans] to convey 'the State's ideological message,' SCV cannot force Texas to include a Confederate battle flag on its specialty license plates." *Id.* at 2253 (quoting *Wooley*, 430 U.S. at 715).

Respondent's First Amendment challenge to Section 1052(a)'s disparagement provision implicates

similar concerns. Respondent contends that, once Congress established the trademark-registration program, it was required to extend the benefits of registration to disparaging marks. Like the Sons of Confederate Veterans in *Walker*, respondent does not simply assert a right to engage in his chosen form of communication free from government interference. Rather, respondent asserts that he is constitutionally entitled to a form of government assistance that will closely associate the government with offensive terminology. Registration of THE SLANTS would cause the mark to be published on the Principal Register; would cause a certificate for the mark to be issued "in the name of the United States" (which may be transmitted to foreign countries); and would entitle respondent to use the ® symbol to convey to the public that the mark has an official status. See *Pro-Football, Inc.* v. *Blackhorse*, 112 F. Supp. 3d 439, 461 (E.D. Va. 2015) ("[T]he purpose of the federal trademark registration program is to provide federal protection to trademarks," which is "in part achieved by providing notice to the public of what trademarks are registered through the Principal Register."), appeal pending, No. 15-1874 (4th Cir. docketed Aug. 6, 2015). Thus, "while a trademark alone, as a word placed on private property, is not government speech, once it claims that federally registered status, it becomes more than the private owner's speech. It is not simply private speech as is the holding of a placard in a parade." Pet. App. 108a (Lourie, J., dissenting).

Here, as in *Walker*, the government's effort to disassociate itself from offensive communications leaves ample room for private speech outside the government program. 135 S. Ct. at 2249. Just as a vehicle

owner in Texas may display the Confederate flag on a bumper sticker (see *ibid.*), respondent may use any racial slurs he wishes in marketing his band or in his private speech. In *Wooley*, the Court recognized "an individual's First Amendment right to avoid becoming the courier for" a message that he finds objectionable. 430 U.S. at 717. The government has an analogous interest in declining to incorporate racially offensive epithets into various official communications. See *Walker*, 135 S. Ct. at 2253.

In other respects, moreover, it is even clearer here than in *Walker* that the challenged program condition does not unconstitutionally restrict private speech. In the program at issue in *Walker*, the only consequence of the State's ruling on a specialty-plate application was speech-related: particular content either would or would not appear on State-issued license plates. Here, by contrast, many consequences of registration relate to the mark owner's ability to prevent others from using the mark in commerce, rather than to the mark owner's communication of his own message. See, *e.g.*, 15 U.S.C. 1115; see also pp. 47-48, *infra* (explaining that trademarks are not inherently expressive). That difference underscores that the trademark-registration system is less closely tied to the applicant's expression than was the specialty-license-plate program in *Walker*.

Relatedly, this case, unlike *Walker*, does not raise any public-forum issues. The legal theory embraced by the dissenting Justices in *Walker* was that "by selling space on its license plates," Texas has "create[d] what [the Court] ha[s] called a limited public forum." 135 S. Ct. at 2262 (Alito, J., dissenting). But neither the formal government communications used to implement the federal trademark-registration pro-

gram, nor the program as a whole, can plausibly be viewed as a public forum. The Principal Register was not created as a mechanism for private individuals to communicate expression; its purpose is to list registered trademarks to facilitate their enforcement.

3. The court of appeals erred in failing to recognize that this is a government-program case

The court of appeals gave various reasons for finding this Court's government-program decisions inapposite. Each of those rationales is unpersuasive.

First, the court said that Section 1052(a) does not concern a government program because it does not involve a direct financial subsidy or the use of government property. Pet. App. 52a-53a. But the principle that the First Amendment does not confer an affirmative right to government assistance does not depend on the form of assistance offered. *Davenport* and *Ysursa* concerned the provision to unions of government assistance in collecting fees from public employees, which entailed a financial benefit to the unions but no outlay of government funds. See *Ysursa*, 555 U.S. at 355-356; *Davenport*, 551 U.S. at 182-183; note 5, *supra*. In *Walker*, the plaintiffs sought to have a message of their own devising communicated on government-issued license plates. 135 S. Ct at 2249. In each of those cases, the crucial point was that the plaintiff had sought government support or assistance for its communicative efforts, rather than simply the right to speak free from government interference. Similarly here, respondent seeks to have his trademark published on the government's Principal Register, and to invoke various presumptions and legal advantages that registration of a mark entails.

Second, the court of appeals concluded that the Lanham Act does not confer a government benefit because the trademark-registration program is funded by user fees. See Pet. App. 57a. But the same was true in *Walker*, where the Court viewed the specialty-plate program as a form of government assistance despite "the fact that Texas vehicle owners pay annual fees in order to display specialty license plates." 135 S. Ct. at 2252. The *Walker* Court further explained, with reference to a prior case involving monuments in government parks, that "if the city in [*Pleasant Grove City* v. *Summum*, *supra*,] had established a rule that organizations wishing to donate monuments must also pay fees to assist in park maintenance, we do not believe that the result in that case would have been any different." 135 S. Ct. at 2252.[11]

Finally, the court of appeals erred in concluding that trademark registration does not implicate the constitutional rules pertaining to government speech. Pet. App. 40a-47a. To be sure, the mark THE SLANTS was devised by, and presumably is understood by the public to have been devised by, respondent and/or his fellow band members rather than by the government. The Court in *Walker* held, however, that when communication takes place over a government platform, "[t]he fact that private parties take part in the design and propagation of a message does not

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[11] Although applicants for trademark registration must pay a fee, the registration program is funded through appropriations. User fees collected by the PTO are deposited in the treasury and become funds of the United States, and the PTO may spend those funds in connection with the registration process only "[t]o the extent and in the amounts provided in advance in appropriations Acts." 35 U.S.C. 42(c)(1) and (2).

extinguish the governmental nature of the message." 135 S. Ct. at 2251. Just as the Court in *Wooley* viewed the facts before it as involving compelled private speech, even though the relevant message ("Live Free or Die") had self-evidently been drafted by the New Hampshire government, a requirement that the PTO register respondent's trademark would compel government speech in a manner that this Court's decisions discountenance. See *id.* at 2252-2253; *Wooley*, 430 U.S. at 707, 714-715.

The court of appeals dismissed each of this Court's decisions in turn as involving government programs factually different from the trademark-registration program. But decisions like (for example) *Regan*, *Rust*, and *Walker* are properly viewed, not as residing within wholly discrete analytic categories, but as exemplars of the overarching principle that "a legislature's decision not to subsidize the exercise of a fundamental right does not infringe the right, and thus is not subject to strict scrutiny." *Regan*, 461 U.S. at 549; cf. *Velazquez*, 531 U.S. at 541 (describing the restriction on abortion counseling at issue in *Rust* as "amount[ing] to governmental speech" even though *Rust* itself did not describe the restriction in that way). Any uncertainty as to which doctrinal label best describes this case should not obscure the fact that, under that principle, Section 1052(a)'s disparagement provision is a permissible restriction on eligibility for the government benefits that the federal trademark-registration program provides.

4. Section 1052(a)'s disparagement provision is not a viewpoint-based restriction on speech

The court of appeals applied strict scrutiny because it characterized Section 1052(a)'s disparagement pro-

vision as a viewpoint-based restriction on speech. See Pet. App. 17a-24a, 53a-54a. As explained above, however, Section 1052 does not restrict speech, but simply denies particular forms of government assistance for trademarks falling within defined categories. Because "a legislature's decision not to subsidize the exercise of a fundamental right does not infringe the right," *Regan*, 461 U.S. at 549, this Court has squarely rejected the view that "strict scrutiny applies whenever Congress subsidizes some speech, but not all speech," *id.* at 548. Because selective government assistance does not restrict speech, the government may allocate that assistance using "criteria that would be impermissible were direct regulation of speech * * * at stake." *Finley*, 524 U.S. 587-588; see *Davenport*, 551 U.S. at 188-189 ("It is well established that the government can make content-based distinctions when it subsidizes speech."). When the government "selectively fund[s] a program to encourage certain activities it believes to be in the public interest," the government "has not discriminated on the basis of viewpoint" but "has merely chosen to fund one activity to the exclusion of the other." *Rust*, 500 U.S. at 193.

In any event, Section 1052(a)'s disparagement provision does not discriminate based on the viewpoint of the would-be registrant. The court of appeals concluded that Section 1052(a)'s prohibition on registration of disparaging marks is viewpoint-based because it precludes registration "when [the PTO] finds the marks refer to a group in a negative way, but * * * permits the registration of marks that refer to a group in a positive, non-disparaging manner." Pet. App. 21a. But laws against (for example) libel, threats, or "fighting words" likewise distinguish in a general way be-

tween speech that is critical or hostile and speech that is complimentary or conciliatory. For purposes of First Amendment analysis, such laws have not been treated as viewpoint-based restrictions unless they draw additional distinctions between favored and disfavored messages.

In *R.A.V.* v. *City of St. Paul*, 505 U.S. 377 (1992), the Court explained that, although Congress had validly prohibited all threats of violence against the President (see 18 U.S.C. 871), "the Federal Government may not criminalize only those threats against the President that mention his policy on aid to inner cities." 505 U.S. at 388. The Court further observed that, while a statute prohibiting the use of "odious racial epithets" by "proponents of all views" does not discriminate based on viewpoint, the government may not "license one side of a debate to fight freestyle, while requiring the other to follow Marquis of Queensberry rules." *Id.* at 391-392.

The First Circuit has subsequently applied those principles in analyzing a municipal transit authority's "restriction on the display of advertisements that 'demean or disparage' individuals or groups." *American Freedom Def. Initiative* v. *Massachusetts Bay Transp. Auth.*, 781 F.3d 571, 574 (1st Cir. 2015), cert. denied, 136 S. Ct. 793 (2016); see *Ridley* v. *Massachusetts Bay Transp. Auth.*, 390 F.3d 65, 90-93 (1st Cir. 2004). The court concluded that the "demeaning or disparaging guideline" does not discriminate based on viewpoint because it "is merely a 'reasonable ground rule' under which 'all advertisers on all sides of all questions are allowed to positively promote their own perspective and even to criticize other positions so long as they do not use demeaning or disparaging speech in their

attacks.'" *American Freedom Def. Initiative*, 781 F.3d at 581-582 (brackets omitted) (quoting *Ridley*, 390 F.3d at 91). The court further observed, however, that "a demeaning or disparaging guideline that would protect certain groups or individuals but not others" would create a "potential *R.A.V.* problem." *Id.* at 583 (citing *Ridley*, 390 F.3d at 90 n.11).

Section 1052(a)'s disparagement provision does not depend on the "ideology," "opinion," or "perspective" of the trademark owner. *Rosenberger* v. *Rector & Visitors of Univ. of Va.*, 515 U.S. 819, 829 (1995). Nor does it depend on the identity of the person or group that the mark disparages. It therefore creates no significant danger that "favored" private viewpoints will be furthered or that "disfavored" messages will be suppressed. Cf. *American Freedom Def. Initiative*, 781 F.3d at 582 (explaining that the First Circuit has "rejected the contention that the demeaning or disparaging guideline is an attempt by the government 'to give one group an advantage over another in the marketplace of ideas'") (quoting *Ridley*, 390 F.3d at 91). The congressional judgment that disparaging marks should not be registered stands on solid constitutional footing in part because it prohibits registration of all such marks, regardless of the motivation for their use.[12]

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[12] In his separate concurring and dissenting opinion below, Judge Dyk concluded that Section 1052(a) is facially constitutional because trademark registration is a benefit for commercial speech that reasonably may be denied for disparaging marks. Pet. App. 90a-97a. He would have held, however, that Section 1052(a) is unconstitutional as applied to this case because respondent's own "choice of mark reflects a clear desire to editorialize on cultural and political subjects. [Respondent] chose THE SLANTS at least in part to reclaim the negative racial stereotype it embodies." *Id.*

The danger of viewpoint discrimination is especially remote in the present context because trademarks are source identifiers in commerce that are not inherently expressive. While some trademarks have incidental expressive meaning, the essential function of a trademark is to identify and distinguish the source of goods or services in commerce. See, *e.g.*, *Wal-Mart Stores, Inc.* v. *Samara Bros., Inc.*, 529 U.S. 205, 212-213 (2000) (Good trademarks "'almost automatically tell a customer that they refer to a brand,' and 'immediately signal a brand or a product 'source.'") (quoting *Qualitex Co.* v. *Jacobson Prods. Co.*, 514 U.S. 159, 162-163 (1995)) (emphasis omitted); *Canal Co.* v. *Clark*, 180 U.S. (13 Wall.) 311, 322 (1872) ("The office of a trade-mark is to point out distinctively the origin, or ownership of the article to which it is affixed; or, in other words, to give notice who was the producer."). A word or symbol can serve that function without having any expressive meaning at all. Indeed, many of the most valuable trademarks—such as Exxon or Google—are arbitrary or fanciful terms with no preexisting meaning to consumers. See *Moseley* v. *V Secret Catalogue, Inc.*, 537 U.S. 418, 429 (2003).

In that respect, trademark law is unlike copyright law, which serves as "the engine of free expression." *Eldred* v. *Ashcroft*, 537 U.S. 186, 219 (2003) (citation omitted). The court of appeals therefore erred in

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at 102a-103a. But if Congress or the PTO had drawn the distinction that Judge Dyk suggested—*i.e.*, approving respondent's application based on the "cultural and political" message that respondent sought to convey, even though THE SLANTS could not have been registered by an applicant that intended to disparage Asians—it would have introduced into the statute the very viewpoint discrimination that the First Amendment generally discountenances.

equating the two (Pet. App. 60a). Because the essential function of trademarks is to identify goods and services as emanating from a particular commercial source, trademarks are "commercial speech" and receive "a limited form of First Amendment protection." *San Francisco Arts & Athletics, Inc.* v. *United States Olympic Comm.*, 483 U.S. 522, 535 (1987) (citation omitted); see generally *Central Hudson Gas & Elec. Corp.* v. *Public Serv. Comm'n*, 447 U.S. 557 (1980). Here, where there is no affirmative restriction on speech and little risk of driving ideas from the marketplace, Congress has broad discretion to determine when to make federal resources available to support private speech—and by the same token, when to disassociate the government from such speech.

5. Limiting federal trademark registration to marks that are not disparaging furthers legitimate government interests

Because Section 1052(a)'s disparagement provision does not limit respondent's ability to speak, it is reviewed for a rational basis. *Ysursa*, 555 U.S. at 359; *Regan*, 461 U.S. at 549. There is no dispute that the government has a legitimate interest in creating a federal trademark-registration program. Having created that program, the government also has a legitimate interest in encouraging the use of non-disparaging marks in interstate commerce, rather than allowing that program to be used to increase the likelihood that "underrepresented groups in our society" will be "bombarded with demeaning messages in commercial advertising." Pet. App. 81a (Dyk, J., concurring in part and dissenting in part). Just as Congress may act to stop discrimination in restaurants and hotels because of its detrimental effects on interstate com-

merce, see *Katzenbach* v. *McClung*, 379 U.S. 294, 304-305 (1964); *Heart of Atlanta Motel, Inc.* v. *United States*, 379 U.S. 241, 251 (1964), Congress may decide that it is not in the public interest to encourage use of racial epithets to identify goods and services in commerce. See Pet. App. 115a, 117a-118a (Reyna, J., dissenting) ("Commercial speech that insults groups of people, particularly based on their race, gender, religion, or other demographic identity, tends to disrupt commercial activity and to undermine the stability of the marketplace in much the same manner as discriminatory conduct.").

The federal government is not unique in making that judgment; nearly all States prohibit state registration of disparaging marks, and non-registration of marks contrary to public order has been a feature of international agreements for over a century. See pp. 23-24, *supra*, and note 13, *infra*. The longstanding nature of the prohibition on registration of disparaging marks (and similar prohibitions) underscores that Section 1052(a) is not a law directed at restricting expression. See *American Library Ass'n*, 539 U.S. at 203-204 (plurality opinion) (treating libraries' historical practice of making content-based distinctions as a basis for upholding internet-filtering condition); see also *Walker*, 135 S. Ct. at 2248.

Congress also may legitimately decline to spend federal funds to provide a platform for disparaging marks or to give such marks indicia of government approval, such as certificates issued in the name of the United States under the seal of the PTO, recordation on the official register, and the federal registration ® symbol. See 15 U.S.C. 1057(a), 1111. Registration of a trademark does not reflect the government's en-

dorsement of any particular product, service, or registrant. See *In re Old Glory Condom Corp.*, 26 U.S.P.Q.2d 1216, 1220 n.3 (T.T.A.B. 1993). But "[w]hen the symbol for a federally registered trademark, ®, is affixed to a mark, it is a declaration by the federal government that it has approved that mark." *Blackhorse*, 112 F. Supp. 3d at 461.

Further, registration of racial slurs would result in the incorporation of such slurs into various official governmental communications. See pp. 22, 27-28, *supra*. The government has a substantial interest in disassociating itself from such messages. That is especially true because certificates of registration are used to obtain reciprocal recognition of U.S.-registered marks by foreign nations under the Paris Convention. See Art. 6^quinquies^(A)(1), 21 U.S.T. 1643, 828 U.N.T.S. 331.[13]

6. The court of appeals' concern about inconsistent enforcement does not justify facial invalidation of Section 1052(a)'s disparagement provision

The court of appeals based its decision in part on its concern that Section 1052(a)'s disparagement pro-

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[13] Under the Paris Convention, "Every trademark duly registered in the country of origin shall be accepted for filing and protected as is in the other countries of the Union, subject to the reservations indicated in this Article." Art. 6^quinquies^(A)(1), 21 U.S.T. 1643, 828 U.N.T.S. 331. One of the reservations is that a party may deny recognition of marks that are "contrary to morality or public order." Art. 6^quinquies^(B)(3), 21 U.S.T. 1644, 828 U.N.T.S. 331. This language, which has been present in the treaty in this or a similar form since 1883, see Paris Convention for the Protection of Industrial Property, Mar. 20, 1883, Art. 6, 25 Stat. 1376, signals the resistance of the international community to registration of trademarks of the sort contemplated here.

vision has not been enforced in a consistent manner. Pet. App. 32a-34a & nn.6-8. But concerns about outcomes in individual cases do not justify the "strong medicine" of facial invalidation. *Broadrick* v. *Oklahoma*, 413 U.S. 601, 613 (1973). Any inconsistencies reflected in prior PTO decisions provide no sound basis for holding that the agency must issue registration certificates to disparaging marks, no matter how offensive or egregious. See Pet. App. 81a n.2 (Dyk, concurring in part and dissenting in part) ("[T]he Board may have rendered inconsistent results in some cases, but this has no bearing on the facial validity of § 2(a).").

Respondent identifies (Cert. Br. 32-33) instances in which superficially similar marks were treated differently during registration. But analysis of whether a mark is disparaging requires consideration of the mark's meaning in relation to the particular goods and services for which registration is sought and the context in which the mark is used. See *Boulevard Entm't, Inc.*, 334 F.3d at 1341-1343. The fact that the marks shared superficial common features therefore does not establish that the marks were ultimately similar for purposes of registrability, or that the PTO erred by treating them differently.

In any event, the PTO examines more than 300,000 trademark applications each year. If an individual PTO examining attorney improperly allows a mark to be registered or improperly refuses registration, "such errors do not bind the USPTO to improperly register" or refuse to register similar marks in the future. *In re Shinnecock Smoke Shop*, 571 F.3d 1171, 1174 (Fed. Cir. 2009), cert. denied, 558 U.S. 1149 (2010). An allegedly erroneous registration may be prevented be-

fore registration through an adversarial opposition proceeding, see 15 U.S.C. 1063, 1067, or corrected through the process of administrative cancellation, 15 U.S.C. 1064, 1067. The PTO's decisions in both types of administrative proceedings are subject to judicial review. See 15 U.S.C. 1071. A disappointed applicant who wishes to challenge the examining attorney's refusal of registration may likewise seek administrative and judicial review. See 15 U.S.C. 1070, 1071.

In providing these mechanisms, Congress recognized that registration errors may occasionally occur, while taking steps to facilitate their correction. Thus, even if respondent could identify clear inconsistencies between particular registration decisions, there would be no sound basis to conclude that Section 1052(a)'s disparagement provision is incapable of principled application. Indeed, individual examining attorneys could err in determining whether particular marks are ineligible for registration because they are generic or merely descriptive; yet no one has suggested that those content-based limitations pose First Amendment concerns.[14]

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[14] Respondent is wrong to suggest (Cert. Br. 30) that Section 1052(a)'s disparagement provision is impermissibly vague. Because the only consequence of a PTO determination that a particular mark is disparaging is that registration of the mark is refused, an applicant's uncertainty as to the status of his own mark is unlikely to deter him from using the mark or from seeking registration. The vagueness standard that applies here therefore is significantly less stringent than when a challenged law prohibits speech or imposes civil or criminal penalties, where uncertainty as to the law's scope has a greater potential to chill speech. See *Finley*, 524 U.S. at 588-589. The term "disparage" in Section 1052(a) has been given a settled legal meaning, and the PTO directs trademark examining attorneys to apply this legal stand-

While Congress cannot prohibit the use of disparaging terms to express ideas, the government has no obligation to support such speech. The Constitution does not put Congress to the choice of either eliminating the federal trademark-registration program altogether or promoting the use of racial slurs in interstate commerce.

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ard using an objective test for evaluating record evidence, not their own subjective views. See *In re Geller*, 751 F.3d 1355, 1358 (Fed. Cir. 2014), cert. denied, 135 S. Ct. 944 (2015); PTO, *Trademark Manual of Examining Procedure (TMEP)* § 1203.03(b)(1) (Oct. 2016), https://mpep.uspto.gov/RDMS/TMEP/current. The public therefore has fair notice as to the standards for, and evidence relevant to, determining which marks are unregistrable. See also note 9, *supra* (noting that the Court did not grant certiorari on the vagueness issue).

CONCLUSION

The judgment of the court of appeals should be reversed.

Respectfully submitted.

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APPENDIX

1. U.S. Const. Amend. I provides:

Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances.

2. 15 U.S.C. 1051 provides:

Application for registration; verification

(a) Application for use of trademark

(1) The owner of a trademark used in commerce may request registration of its trademark on the principal register hereby established by paying the prescribed fee and filing in the Patent and Trademark Office an application and a verified statement, in such form as may be prescribed by the Director, and such number of specimens or facsimiles of the mark as used as may be required by the Director.

(2) The application shall include specification of the applicant's domicile and citizenship, the date of the applicant's first use of the mark, the date of the applicant's first use of the mark in commerce, the goods in connection with which the mark is used, and a drawing of the mark.

(3) The statement shall be verified by the applicant and specify that—

(A) the person making the verification believes that he or she, or the juristic person in whose behalf

he or she makes the verification, to be the owner of the mark sought to be registered;

(B) to the best of the verifier's knowledge and belief, the facts recited in the application are accurate;

(C) the mark is in use in commerce; and

(D) to the best of the verifier's knowledge and belief, no other person has the right to use such mark in commerce either in the identical form thereof or in such near resemblance thereto as to be likely, when used on or in connection with the goods of such other person, to cause confusion, or to cause mistake, or to deceive, except that, in the case of every application claiming concurrent use, the applicant shall—

(i) state exceptions to the claim of exclusive use; and

(ii) shall[1] specify, to the extent of the verifier's knowledge—

(I) any concurrent use by others;

(II) the goods on or in connection with which and the areas in which each concurrent use exists;

(III) the periods of each use; and

(IV) the goods and area for which the applicant desires registration.

(4) The applicant shall comply with such rules or regulations as may be prescribed by the Director.

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[1] So in original. The word "shall" probably should not appear.

The Director shall promulgate rules prescribing the requirements for the application and for obtaining a filing date herein.

(b) Application for bona fide intention to use trademark

(1) A person who has a bona fide intention, under circumstances showing the good faith of such person, to use a trademark in commerce may request registration of its trademark on the principal register hereby established by paying the prescribed fee and filing in the Patent and Trademark Office an application and a verified statement, in such form as may be prescribed by the Director.

(2) The application shall include specification of the applicant's domicile and citizenship, the goods in connection with which the applicant has a bona fide intention to use the mark, and a drawing of the mark.

(3) The statement shall be verified by the applicant and specify—

(A) that the person making the verification believes that he or she, or the juristic person in whose behalf he or she makes the verification, to be entitled to use the mark in commerce;

(B) the applicant's bona fide intention to use the mark in commerce;

(C) that, to the best of the verifier's knowledge and belief, the facts recited in the application are accurate; and

(D) that, to the best of the verifier's knowledge and belief, no other person has the right to use such mark in commerce either in the identical form

thereof or in such near resemblance thereto as to be likely, when used on or in connection with the goods of such other person, to cause confusion, or to cause mistake, or to deceive.

Except for applications filed pursuant to section 1126 of this title, no mark shall be registered until the applicant has met the requirements of subsections (c) and (d) of this section.

(4) The applicant shall comply with such rules or regulations as may be prescribed by the Director. The Director shall promulgate rules prescribing the requirements for the application and for obtaining a filing date herein.

(c) Amendment of application under subsection (b) to conform to requirements of subsection (a)

At any time during examination of an application filed under subsection (b) of this section, an applicant who has made use of the mark in commerce may claim the benefits of such use for purposes of this chapter, by amending his or her application to bring it into conformity with the requirements of subsection (a) of this section.

(d) Verified statement that trademark is used in commerce

(1) Within six months after the date on which the notice of allowance with respect to a mark is issued under section 1063(b)(2) of this title to an applicant under subsection (b) of this section, the applicant shall file in the Patent and Trademark Office, together with such number of specimens or facsimiles of the mark as used in commerce as may be required by the Director and payment of the prescribed fee, a verified statement

that the mark is in use in commerce and specifying the date of the applicant's first use of the mark in commerce and those goods or services specified in the notice of allowance on or in connection with which the mark is used in commerce. Subject to examination and acceptance of the statement of use, the mark shall be registered in the Patent and Trademark Office, a certificate of registration shall be issued for those goods or services recited in the statement of use for which the mark is entitled to registration, and notice of registration shall be published in the Official Gazette of the Patent and Trademark Office. Such examination may include an examination of the factors set forth in subsections (a) through (e) of section 1052 of this title. The notice of registration shall specify the goods or services for which the mark is registered.

(2) The Director shall extend, for one additional 6-month period, the time for filing the statement of use under paragraph (1), upon written request of the applicant before the expiration of the 6-month period provided in paragraph (1). In addition to an extension under the preceding sentence, the Director may, upon a showing of good cause by the applicant, further extend the time for filing the statement of use under paragraph (1) for periods aggregating not more than 24 months, pursuant to written request of the applicant made before the expiration of the last extension granted under this paragraph. Any request for an extension under this paragraph shall be accompanied by a verified statement that the applicant has a continued bona fide intention to use the mark in commerce and specifying those goods or services identified in the notice of allowance on or in connection with which the applicant has a continued bona fide intention to use the

mark in commerce. Any request for an extension under this paragraph shall be accompanied by payment of the prescribed fee. The Director shall issue regulations setting forth guidelines for determining what constitutes good cause for purposes of this paragraph.

(3) The Director shall notify any applicant who files a statement of use of the acceptance or refusal thereof and, if the statement of use is refused, the reasons for the refusal. An applicant may amend the statement of use.

(4) The failure to timely file a verified statement of use under paragraph (1) or an extension request under paragraph (2) shall result in abandonment of the application, unless it can be shown to the satisfaction of the Director that the delay in responding was unintentional, in which case the time for filing may be extended, but for a period not to exceed the period specified in paragraphs (1) and (2) for filing a statement of use.

(e) Designation of resident for service of process and notices

If the applicant is not domiciled in the United States the applicant may designate, by a document filed in the United States Patent and Trademark Office, the name and address of a person resident in the United States on whom may be served notices or process in proceedings affecting the mark. Such notices or process may be served upon the person so designated by leaving with that person or mailing to that person a copy thereof at the address specified in the last designation so filed. If the person so designated cannot be found at the address given in the last desig-

nation, or if the registrant does not designate by a document filed in the United States Patent and Trademark Office the name and address of a person resident in the United States on whom may be served notices or process in proceedings affecting the mark, such notices or process may be served on the Director.

3. 15 U.S.C. 1052 provides:

Trademarks registrable on principal register; concurrent registration

No trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature unless it—

(a) Consists of or comprises immoral, deceptive, or scandalous matter; or matter which may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute; or a geographical indication which, when used on or in connection with wines or spirits, identifies a place other than the origin of the goods and is first used on or in connection with wines or spirits by the applicant on or after one year after the date on which the WTO Agreement (as defined in section 3501(9) of title 19) enters into force with respect to the United States.

(b) Consists of or comprises the flag or coat of arms or other insignia of the United States, or of any State or municipality, or of any foreign nation, or any simulation thereof.

(c) Consists of or comprises a name, portrait, or signature identifying a particular living individual except by his written consent, or the name, signature, or portrait of a deceased President of the United States during the life of his widow, if any, except by the written consent of the widow.

(d) Consists of or comprises a mark which so resembles a mark registered in the Patent and Trademark Office, or a mark or trade name previously used in the United States by another and not abandoned, as to be likely, when used on or in connection with the goods of the applicant, to cause confusion, or to cause mistake, or to deceive: *Provided*, That if the Director determines that confusion, mistake, or deception is not likely to result from the continued use by more than one person of the same or similar marks under conditions and limitations as to the mode or place of use of the marks or the goods on or in connection with which such marks are used, concurrent registrations may be issued to such persons when they have become entitled to use such marks as a result of their concurrent lawful use in commerce prior to (1) the earliest of the filing dates of the applications pending or of any registration issued under this chapter; (2) July 5, 1947, in the case of registrations previously issued under the Act of March 3, 1881, or February 20, 1905, and continuing in full force and effect on that date; or (3) July 5, 1947, in the case of applications filed under the Act of February 20, 1905, and registered after July 5, 1947. Use prior to the filing date of any pending application or a registration shall not be required when the owner of such application or registration consents to the grant of a concurrent registration to the applicant. Concurrent registrations may also be issued by the Director

when a court of competent jurisdiction has finally determined that more than one person is entitled to use the same or similar marks in commerce. In issuing concurrent registrations, the Director shall prescribe conditions and limitations as to the mode or place of use of the mark or the goods on or in connection with which such mark is registered to the respective persons.

(e) Consists of a mark which (1) when used on or in connection with the goods of the applicant is merely descriptive or deceptively misdescriptive of them, (2) when used on or in connection with the goods of the applicant is primarily geographically descriptive of them, except as indications of regional origin may be registrable under section 1054 of this title, (3) when used on or in connection with the goods of the applicant is primarily geographically deceptively misdescriptive of them, (4) is primarily merely a surname, or (5) comprises any matter that, as a whole, is functional.

(f) Except as expressly excluded in subsections (a), (b), (c), (d), (e)(3), and (e)(5) of this section, nothing in this chapter shall prevent the registration of a mark used by the applicant which has become distinctive of the applicant's goods in commerce. The Director may accept as prima facie evidence that the mark has become distinctive, as used on or in connection with the applicant's goods in commerce, proof of substantially exclusive and continuous use thereof as a mark by the applicant in commerce for the five years before the date on which the claim of distinctiveness is made. Nothing in this section shall prevent the registration of a mark which, when used on or in connection with the goods of the applicant, is primarily geographically deceptively misdescriptive of them, and which became

distinctive of the applicant's goods in commerce before December 8, 1993.

A mark which would be likely to cause dilution by blurring or dilution by tarnishment under section 1125(c) of this title, may be refused registration only pursuant to a proceeding brought under section 1063 of this title. A registration for a mark which would be likely to cause dilution by blurring or dilution by tarnishment under section 1125(c) of this title, may be canceled pursuant to a proceeding brought under either section 1064 of this title or section 1092 of this title.

4. 15 U.S.C. 1053 provides:

Service marks registrable

Subject to the provisions relating to the registration of trademarks, so far as they are applicable, service marks shall be registrable, in the same manner and with the same effect as are trademarks, and when registered they shall be entitled to the protection provided in this chapter in the case of trademarks. Applications and procedure under this section shall conform as nearly as practicable to those prescribed for the registration of trademarks.

5. 15 U.S.C. 1065 provides:

Incontestability of right to use mark under certain conditions

Except on a ground for which application to cancel may be filed at any time under paragraphs (3) and (5) of section 1064 of this title, and except to the extent, if

any, to which the use of a mark registered on the principal register infringes a valid right acquired under the law of any State or Territory by use of a mark or trade name continuing from a date prior to the date of registration under this chapter of such registered mark, the right of the owner to use such registered mark in commerce for the goods or services on or in connection with which such registered mark has been in continuous use for five consecutive years subsequent to the date of such registration and is still in use in commerce, shall be incontestable: *Provided*, That—

(1) there has been no final decision adverse to the owner's claim of ownership of such mark for such goods or services, or to the owner's right to register the same or to keep the same on the register; and

(2) there is no proceeding involving said rights pending in the United States Patent and Trademark Office or in a court and not finally disposed of; and

(3) an affidavit is filed with the Director within one year after the expiration of any such five-year period setting forth those goods or services stated in the registration on or in connection with which such mark has been in continuous use for such five consecutive years and is still in use in commerce, and other matters specified in paragraphs (1) and (2) of this section; and

(4) no incontestable right shall be acquired in a mark which is the generic name for the goods or services or a portion thereof, for which it is registered.

Subject to the conditions above specified in this section, the incontestable right with reference to a mark registered under this chapter shall apply to a mark registered under the Act of March 3, 1881, or the Act of February 20, 1905, upon the filing of the required affidavit with the Director within one year after the expiration of any period of five consecutive years after the date of publication of a mark under the provisions of subsection (c) of section 1062 of this title.

The Director shall notify any registrant who files the above-prescribed affidavit of the filing thereof.

6. 15 U.S.C. 1114 provides in pertinent part:

Remedies; infringement; innocent infringement by printers and publishers

(1) Any person who shall, without the consent of the registrant—

(a) use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive; or

(b) reproduce, counterfeit, copy, or colorably imitate a registered mark and apply such reproduction, counterfeit, copy, or colorable imitation to labels, signs, prints, packages, wrappers, receptacles or advertisements intended to be used in commerce upon or in connection with the sale, offering for sale, distribution, or advertising of goods or ser-

vices on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive,

shall be liable in a civil action by the registrant for the remedies hereinafter provided. Under subsection (b) hereof, the registrant shall not be entitled to recover profits or damages unless the acts have been committed with knowledge that such imitation is intended to be used to cause confusion, or to cause mistake, or to deceive.

As used in this paragraph, the term "any person" includes the United States, all agencies and instrumentalities thereof, and all individuals, firms, corporations, or other persons acting for the United States and with the authorization and consent of the United States, and any State, any instrumentality of a State, and any officer or employee of a State or instrumentality of a State acting in his or her official capacity. The United States, all agencies and instrumentalities thereof, and all individuals, firms, corporations, other persons acting for the United States and with the authorization and consent of the United States, and any State, and any such instrumentality, officer, or employee, shall be subject to the provisions of this chapter in the same manner and to the same extent as any nongovernmental entity.

* * * * *

7. 15 U.S.C. 1115 provides:

Registration on principal register as evidence of exclusive right to use mark; defenses

(a) Evidentiary value; defenses

Any registration issued under the Act of March 3, 1881, or the Act of February 20, 1905, or of a mark registered on the principal register provided by this chapter and owned by a party to an action shall be admissible in evidence and shall be prima facie evidence of the validity of the registered mark and of the registration of the mark, of the registrant's ownership of the mark, and of the registrant's exclusive right to use the registered mark in commerce on or in connection with the goods or services specified in the registration subject to any conditions or limitations stated therein, but shall not preclude another person from proving any legal or equitable defense or defect, including those set forth in subsection (b) of this section, which might have been asserted if such mark had not been registered.

(b) Incontestability; defenses

To the extent that the right to use the registered mark has become incontestable under section 1065 of this title, the registration shall be conclusive evidence of the validity of the registered mark and of the registration of the mark, of the registrant's ownership of the mark, and of the registrant's exclusive right to use the registered mark in commerce. Such conclusive evidence shall relate to the exclusive right to use the mark on or in connection with the goods or services specified in the affidavit filed under the provisions of section 1065 of this title, or in the renewal application

filed under the provisions of section 1059 of this title if the goods or services specified in the renewal are fewer in number, subject to any conditions or limitations in the registration or in such affidavit or renewal application. Such conclusive evidence of the right to use the registered mark shall be subject to proof of infringement as defined in section 1114 of this title, and shall be subject to the following defenses or defects:

(1) That the registration or the incontestable right to use the mark was obtained fraudulently; or

(2) That the mark has been abandoned by the registrant; or

(3) That the registered mark is being used by or with the permission of the registrant or a person in privity with the registrant, so as to misrepresent the source of the goods or services on or in connection with which the mark is used; or

(4) That the use of the name, term, or device charged to be an infringement is a use, otherwise than as a mark, of the party's individual name in his own business, or of the individual name of anyone in privity with such party, or of a term or device which is descriptive of and used fairly and in good faith only to describe the goods or services of such party, or their geographic origin; or

(5) That the mark whose use by a party is charged as an infringement was adopted without knowledge of the registrant's prior use and has been continuously used by such party or those in privity with him from a date prior to (A) the date of constructive use of the mark established pursuant to section 1057(c) of this title, (B) the registration of

the mark under this chapter if the application for registration is filed before the effective date of the Trademark Law Revision Act of 1988, or (C) publication of the registered mark under subsection (c) of section 1062 of this title: *Provided, however*, That this defense or defect shall apply only for the area in which such continuous prior use is proved; or

(6) That the mark whose use is charged as an infringement was registered and used prior to the registration under this chapter or publication under subsection (c) of section 1062 of this title of the registered mark of the registrant, and not abandoned: *Provided, however*, That this defense or defect shall apply only for the area in which the mark was used prior to such registration or such publication of the registrant's mark; or

(7) That the mark has been or is being used to violate the antitrust laws of the United States; or

(8) That the mark is functional; or

(9) That equitable principles, including laches, estoppel, and acquiescence, are applicable.

8. 15 U.S.C. 1125 provides:

False designations of origin, false descriptions, and dilution forbidden

(a) Civil action

(1) Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or

any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which—

(A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person, or

(B) in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person's goods, services, or commercial activities,

shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

(2) As used in this subsection, the term "any person" includes any State, instrumentality of a State or employee of a State or instrumentality of a State acting in his or her official capacity. Any State, and any such instrumentality, officer, or employee, shall be subject to the provisions of this chapter in the same manner and to the same extent as any nongovernmental entity.

(3) In a civil action for trade dress infringement under this chapter for trade dress not registered on the principal register, the person who asserts trade dress protection has the burden of proving that the matter sought to be protected is not functional.

(b) Importation

Any goods marked or labeled in contravention of the provisions of this section shall not be imported into the United States or admitted to entry at any customhouse of the United States. The owner, importer, or consignee of goods refused entry at any customhouse under this section may have any recourse by protest or appeal that is given under the customs revenue laws or may have the remedy given by this chapter in cases involving goods refused entry or seized.

(c) Dilution by blurring; dilution by tarnishment

(1) Injunctive relief

Subject to the principles of equity, the owner of a famous mark that is distinctive, inherently or through acquired distinctiveness, shall be entitled to an injunction against another person who, at any time after the owner's mark has become famous, commences use of a mark or trade name in commerce that is likely to cause dilution by blurring or dilution by tarnishment of the famous mark, regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury.

(2) Definitions

(A) For purposes of paragraph (1), a mark is famous if it is widely recognized by the general consuming public of the United States as a designation of source of the goods or services of the mark's owner. In determining whether a mark possesses the requisite degree of recognition, the court may consider all relevant factors, including the following:

(i) The duration, extent, and geographic reach of advertising and publicity of the mark, whether advertised or publicized by the owner or third parties.

(ii) The amount, volume, and geographic extent of sales of goods or services offered under the mark.

(iii) The extent of actual recognition of the mark.

(iv) Whether the mark was registered under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register.

(B) For purposes of paragraph (1), "dilution by blurring" is association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark. In determining whether a mark or trade name is likely to cause dilution by blurring, the court may consider all relevant factors, including the following:

(i) The degree of similarity between the mark or trade name and the famous mark.

(ii) The degree of inherent or acquired distinctiveness of the famous mark.

(iii) The extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark.

(iv) The degree of recognition of the famous mark.

(v) Whether the user of the mark or trade name intended to create an association with the famous mark.

(vi) Any actual association between the mark or trade name and the famous mark.

(C) For purposes of paragraph (1), "dilution by tarnishment" is association arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark.

(3) Exclusions

The following shall not be actionable as dilution by blurring or dilution by tarnishment under this subsection:

(A) Any fair use, including a nominative or descriptive fair use, or facilitation of such fair use, of a famous mark by another person other than as a designation of source for the person's own goods or services, including use in connection with—

(i) advertising or promotion that permits consumers to compare goods or services; or

(ii) identifying and parodying, criticizing, or commenting upon the famous mark owner or the goods or services of the famous mark owner.

(B) All forms of news reporting and news commentary.

(C) Any noncommercial use of a mark.

(4) Burden of proof

In a civil action for trade dress dilution under this chapter for trade dress not registered on the principal register, the person who asserts trade dress protection has the burden of proving that—

(A) the claimed trade dress, taken as a whole, is not functional and is famous; and

(B) if the claimed trade dress includes any mark or marks registered on the principal register, the unregistered matter, taken as a whole, is famous separate and apart from any fame of such registered marks.

(5) Additional remedies

In an action brought under this subsection, the owner of the famous mark shall be entitled to injunctive relief as set forth in section 1116 of this title. The owner of the famous mark shall also be entitled to the remedies set forth in sections 1117(a) and 1118 of this title, subject to the discretion of the court and the principles of equity if—

(A) the mark or trade name that is likely to cause dilution by blurring or dilution by tarnishment was first used in commerce by the person against whom the injunction is sought after October 6, 2006; and

(B) in a claim arising under this subsection—

(i) by reason of dilution by blurring, the person against whom the injunction is sought willfully intended to trade on the recognition of the famous mark; or

(ii) by reason of dilution by tarnishment, the person against whom the injunction is sought willfully intended to harm the reputation of the famous mark.

(6) Ownership of valid registration a complete bar to action

The ownership by a person of a valid registration under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register under this chapter shall be a complete bar to an action against that person, with respect to that mark, that—

(A) is brought by another person under the common law or a statute of a State; and

(B)(i) seeks to prevent dilution by blurring or dilution by tarnishment; or

(ii) asserts any claim of actual or likely damage or harm to the distinctiveness or reputation of a mark, label, or form of advertisement.

(7) Savings clause

Nothing in this subsection shall be construed to impair, modify, or supersede the applicability of the patent laws of the United States.

(d) Cyberpiracy prevention

(1)(A) A person shall be liable in a civil action by the owner of a mark, including a personal name which is protected as a mark under this section, if, without regard to the goods or services of the parties, that person—

(i) has a bad faith intent to profit from that mark, including a personal name which is protected as a mark under this section; and

(ii) registers, traffics in, or uses a domain name that—

(I) in the case of a mark that is distinctive at the time of registration of the domain name, is identical or confusingly similar to that mark;

(II) in the case of a famous mark that is famous at the time of registration of the domain name, is identical or confusingly similar to or dilutive of that mark; or

(III) is a trademark, word, or name protected by reason of section 706 of title 18 or section 220506 of title 36.

(B)(i) In determining whether a person has a bad faith intent described under subparagraph (A), a court may consider factors such as, but not limited to—

(I) the trademark or other intellectual property rights of the person, if any, in the domain name;

(II) the extent to which the domain name consists of the legal name of the person or a name that is otherwise commonly used to identify that person;

(III) the person's prior use, if any, of the domain name in connection with the bona fide offering of any goods or services;

(IV) the person's bona fide noncommercial or fair use of the mark in a site accessible under the domain name;

(V) the person's intent to divert consumers from the mark owner's online location to a site accessible under the domain name that could harm the goodwill represented by the mark, either for commercial gain or with the intent to tarnish or disparage the mark, by creating a likelihood of confusion as to the source, sponsorship, affiliation, or endorsement of the site;

(VI) the person's offer to transfer, sell, or otherwise assign the domain name to the mark owner or any third party for financial gain without having used, or having an intent to use, the domain name in the bona fide offering of any goods or services, or the person's prior conduct indicating a pattern of such conduct;

(VII) the person's provision of material and misleading false contact information when applying for the registration of the domain name, the person's intentional failure to maintain accurate contact information, or the person's prior conduct indicating a pattern of such conduct;

(VIII) the person's registration or acquisition of multiple domain names which the person knows are identical or confusingly similar to marks of others that are distinctive at the time of registration of such domain names, or dilutive of famous marks of others that are famous at the time of registration of such domain names, without regard to the goods or services of the parties; and

(IX) the extent to which the mark incorporated in the person's domain name registration is or

is not distinctive and famous within the meaning of subsection (c).

(ii) Bad faith intent described under subparagraph (A) shall not be found in any case in which the court determines that the person believed and had reasonable grounds to believe that the use of the domain name was a fair use or otherwise lawful.

(C) In any civil action involving the registration, trafficking, or use of a domain name under this paragraph, a court may order the forfeiture or cancellation of the domain name or the transfer of the domain name to the owner of the mark.

(D) A person shall be liable for using a domain name under subparagraph (A) only if that person is the domain name registrant or that registrant's authorized licensee.

(E) As used in this paragraph, the term "traffics in" refers to transactions that include, but are not limited to, sales, purchases, loans, pledges, licenses, exchanges of currency, and any other transfer for consideration or receipt in exchange for consideration.

(2)(A) The owner of a mark may file an in rem civil action against a domain name in the judicial district in which the domain name registrar, domain name registry, or other domain name authority that registered or assigned the domain name is located if—

(i) the domain name violates any right of the owner of a mark registered in the Patent and Trademark Office, or protected under subsection (a) or (c) of this section; and

(ii) the court finds that the owner—

(I) is not able to obtain in personam jurisdiction over a person who would have been a defendant in a civil action under paragraph (1); or

(II) through due diligence was not able to find a person who would have been a defendant in a civil action under paragraph (1) by—

(aa) sending a notice of the alleged violation and intent to proceed under this paragraph to the registrant of the domain name at the postal and e-mail address provided by the registrant to the registrar; and

(bb) publishing notice of the action as the court may direct promptly after filing the action.

(B) The actions under subparagraph (A)(ii) shall constitute service of process.

(C) In an in rem action under this paragraph, a domain name shall be deemed to have its situs in the judicial district in which—

(i) the domain name registrar, registry, or other domain name authority that registered or assigned the domain name is located; or

(ii) documents sufficient to establish control and authority regarding the disposition of the registration and use of the domain name are deposited with the court.

(D)(i) The remedies in an in rem action under this paragraph shall be limited to a court order for the forfeiture or cancellation of the domain name or the transfer of the domain name to the owner of the mark. Upon receipt of written notification of a filed, stamped

copy of a complaint filed by the owner of a mark in a United States district court under this paragraph, the domain name registrar, domain name registry, or other domain name authority shall—

(I) expeditiously deposit with the court documents sufficient to establish the court's control and authority regarding the disposition of the registration and use of the domain name to the court; and

(II) not transfer, suspend, or otherwise modify the domain name during the pendency of the action, except upon order of the court.

(ii) The domain name registrar or registry or other domain name authority shall not be liable for injunctive or monetary relief under this paragraph except in the case of bad faith or reckless disregard, which includes a willful failure to comply with any such court order.

(3) The civil action established under paragraph (1) and the in rem action established under paragraph (2), and any remedy available under either such action, shall be in addition to any other civil action or remedy otherwise applicable.

(4) The in rem jurisdiction established under paragraph (2) shall be in addition to any other jurisdiction that otherwise exists, whether in rem or in personam.

9. 15 U.S.C. 1127 provides in pertinent part:

Construction and definitions; intent of chapter

In the construction of this chapter, unless the contrary is plainly apparent from the context—

* * * * *

The term "trademark" includes any word, name, symbol, or device, or any combination thereof—

(1) used by a person, or

(2) which a person has a bona fide intention to use in commerce and applies to register on the principal register established by this chapter,

to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.

The term "service mark" means any word, name, symbol, or device, or any combination thereof—

(1) used by a person, or

(2) which a person has a bona fide intention to use in commerce and applies to register on the principal register established by this chapter,

to identify and distinguish the services of one person, including a unique service, from the services of others and to indicate the source of the services, even if that source is unknown. Titles, character names, and other distinctive features of radio or television programs may be registered as service marks notwithstanding that they, or the programs, may advertise the goods of the sponsor.

* * * * *

The term "mark" includes any trademark, service mark, collective mark, or certification mark.

* * * * *

The term "registered mark" means a mark registered in the United States Patent and Trademark Office under this chapter or under the Act of March 3, 1881, or the Act of February 20, 1905, or the Act of March 19, 1920. The phrase "marks registered in the Patent and Trademark Office" means registered marks.

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